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An Annual Digest of Public Affairs of India  
Recording the Nation's Activities each year in matters Political,  
Economic, Industrial, Educational, Social Etc.

1919 - 1947

Volume I ] 1922-23 Volume I

Edited by

**H.N. MITRA** M.A.B.L

Introduction  
by

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*TO*  
*MY COUNTRYMEN*



Volume I  
All-India Reports  
1922-23





# PREFACE

**T**HE INDIAN ANNUAL REGISTER as an All-India Digest of Public Affairs of India is rapidly growing in volume every year.

In our last issue (the 1922 issue), issued in 2 volumes owing to the great bulk of matter incorporated, an attempt was made to give a more comprehensive record of our public affairs than in our previous issues. It turned out, as finally shaped, to be wholly a political chronicle, because of the great and all-absorbing political topics of the period which kept all other affairs of public moment in the back-ground. The Indian Annual Register, however, is not meant to be a political chronicle alone,—as originally conceived, economic, industrial, educational, social and other affairs of the country are also to have their proper place and space allotted to them in each issue. We regret that we have failed up till now to do justice to these latter, and in the 1923 issue we are making an effort to remedy this defect.

As before, the amount of matter that we have to incorporate this year is so vast, inspite of the adoption of very small type in the latter section of the work, that we have to split it up in two volumes. Volume I incorporates,—

1. Important All-India Reports
2. A Trade and Industrial Annual
3. Proceedings of Public Bodies, such as All-India Congress and Conferences.

Volume II deals with—

1. India in Home Polity since March 1922
2. India in International Polity & Abroad
3. Proceedings of the Indian Legislatures, and
4. A Social & Educational Annual

Perhaps it would have been better if the Trade, Industrial, Social & Educational sections had been brought out as separate supplements to the main Register, so that people interested in these subjects alone may go in for the supplement severally. We reserve it for the future to see if this is possible of attainment and will have the support of our generous subscribers and the public.

SIBPUR

SEPTEMBER 1923

THE ANNUAL REGISTER OFFICE



# The Indian Annual Register 1923

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Report of the  
**Racial Distinctions**  
Committee



## REPORT OF THE Racial Distinctions Committee

APPOINTED TO CONSIDER THE RACIAL DISTINCTIONS IN  
CRIMINAL PROCEDURE APPLICABLE TO INDIANS AND NON-INDIANS.  
TO

### *H. E. THE GOVERNOR-GENERAL OF INDIA IN COUNCIL*

In accordance with the instructions contained in the Home Department Resolution no. F-105-Judicial, dated the 27th December 1921, we, the members of the Committee appointed by the Govt. of India to consider the existing racial distinctions in the criminal procedure applicable to Indians and non-Indians, and to report to the Government of India the modifications of the law which we recommend should be adopted, have the honour to report for the information of Government our conclusions on the questions requiring examination.

2. In the second Session of the Legislative Assembly, in September 1921, Mr. N. M. Samarth moved a resolution on the subject. The resolution, after amendment, was passed in the following form :—

"That, in order to remove all racial distinctions between Indians and Europeans in the matter of their trial and punishment for offences, a Committee be appointed to consider what amendments should be made in those provisions in the Code of Criminal Procedure, 1898, which differentiate between Indians and European British subjects, Americans and Europeans who are not British subjects, in criminal trials and proceedings and to report on the best methods of giving effect to their proposals."

3. Accordingly the Government of India issued a resolution, which, after detailing the resolution passed by the Assembly, proceeded as follows :—

"The Governor-General in Council has already accepted the principle that it is desirable that there should be equality of status for all people in this country in the matter of criminal trials and proceedings, and has decided to appoint a Committee to consider the existing racial distinctions in the criminal procedure applicable to Indians and non-Indians, and to report to the Government of India the modifications of the law which they recommend should be adopted.

The Hon'ble Dr. Tej Bahadur Sapru, LL.D., Law Member of the Governor General's Council, has consented to preside over the Committee, and the following have agreed to serve as members :—

The Hon'ble Sir William Vincent,  
K.T., K.C.S.I.,

Dr. H. S. Gour, M.L.A.

Mr. S. R. Das, Standing Counsel, Bengal.

Mr. Saiyid Sultan Ahmed, (Patna)

The Hon. Mr. Justice Shah, Bombay.

Bai Bahadur Lalit Mohan Banarji,

Mr. P. E. Percival, I.C.S., M.L.A.

(Allahabad.)

Bai Bahadur T. Raghachariar, M.L.A.

Mr. E. Stuart Balfour, (Dibrugarh)

Mr. N. Samarth, M.L.A.

Mr. W. Muir Masson, Punjab.

Mr. W. L. Carey, M.L.O (Bengal)

Mr. F. McCarthy, M.L.A.

Mr. Abul Kasim, M.L.A.

Lt. Colonel H. A. J. Gidney, M.L.A.

Mr. Percival will, in addition to his duties as a member of the Committee, act as Secretary.

The Committee which will submit its report to the Government of India, will assemble at Delhi on the 5th January 1922. It will conduct its enquiries in public, but any part of its proceedings may be conducted *IN CAMERA* if the President considers such a course desirable in the public interest. Persons who desire to be called as witnesses should apply in writing to the Secretary, care of Home Department, Government of India, Delhi, giving their full names and addresses together with a brief memorandum of the points in regard to which they desire to give evidence. It will of course rest with the Committee to decide what evidence they will hear.

Mr. T. C. P. Gibbons, K.C., Barrister-at-Law, Advocate-General, Bengal, was subsequently added as a member of the Committee.

4. The origin of the privileges in question can probably be traced to the jealousy with which in the eighteenth century and later the jurisdiction of the Courts of the Hon'ble East India Company over Europeans was regarded. For a long time the Courts of the Company exercised no such jurisdiction at all, the administration of civil and criminal justice in India being confined in such cases to the Courts of the presidency towns. The system was undoubtedly based on the idea that the Crown from the earliest introduction of its subjects into India provided for the administration of justice among them a system analogous to that which existed in England. Moreover previous to 1833 British subjects, not in the service of the Crown or Company, were not allowed to reside at a distance of more than ten miles from a presidency town without special permission. On the repeal of this provision, the Court of Directors in 1834 gave instructions that British-born subjects should be subjected to the same tribunals as Indians. They observed that :—

"The 85th clause of the Charter Act of 1833, after reciting that the removal of restriction on the intercourse of Europeans with the country will render it necessary to provide against any mischiefs or dangers that may thence arise, proceeds to direct that you shall make laws for the protection of the Natives from insult and outrage—an obligation which in our view you cannot possibly fulfil unless you render both Natives and Europeans subject to the same judicial control. There can be no equality of protection where justice is not equally and on equal terms accessible to all."

Accordingly Europeans were made amenable to the Civil Courts outside the presidency towns in 1836 by an Act associated with the

name of Lord Macaulay. The question of the trial of Europeans by all the criminal courts outside the presidency towns was raised in 1849 by the Government of Lord Dalhousie ; and again in 1857. It was decided, however, to await the introduction of the revised criminal law in such areas. The previous procedure therefore continued until 1861, that is to say, European British subjects resident outside the presidency towns were tried by the Supreme Courts which were stationed in the presidency towns, except in respect of certain minor offences for which they were triable by European Justices of the Peace. In 1861, the Supreme and Sudder Courts were combined into the High Courts of Judicature. English Judges were then enabled to go up-country and try cases against Europeans. Even up to 1872, however, the general principle was that criminal jurisdiction over European British subjects was exercised only by Courts established by the Crown and not by the Courts of the country.

5. In 1872, when Sir James Stephen was Law Member, the jurisdiction of the ordinary criminal courts was definitely extended to Europeans ; but at the same time special forms of procedure based on English law and limitations of the powers of the courts were framed for their trial.

6. In 1813, the well-known Ilbert Bill was introduced with the object of giving jurisdiction to Indian Sessions Judges and certain Indian Magistrates to try European British subjects. Owing to the feeling aroused by the Bill, its scope was reduced, and a compromise was effected, a fresh Bill being introduced and passed as Act III of 1884. The main effect of the compromise was that, while Indian Sessions Judges and District Magistrates were enabled to try European British subjects, the right to claim a mixed jury, that is, a jury consisting of not less than half Europeans, was allowed in all Sessions cases (not merely in those triable by jury in the case of Indians) and also before District Magistrates. The provisions contained in that Act are still in force.

7. In the presidency towns European British subjects have had and have no privileges before the Presidency Magistrates, but they can claim a mixed jury before the High Court.

8. It is interesting to note that, whereas, at the time of the Ilbert Bill controversy, the question was whether Indian Judges and Magistrates should try Europeans or not, the subject which excites most interest at the present moment is the right of a European British subject to claim a mixed jury.

9. Prior to 1882 the law provided that in the case of Europeans (not being European British subjects) and Americans in any trial before the Court of Session the accused had the right to be



tried by a jury of which not less than half should consist of Europeans or Americans, if such a jury could be procured. By the Code of 1882 this right was retained only in respect of Sessions cases normally triable by jury; while in cases triable with the aid of assessors it was provided that half the number of assessors, if practicable and if claimed, should be Europeans or Americans. This provision is still in force.

10. In anticipation of the examination of witnesses who appeared to give evidence before the Committee, the Government of India consulted local Governments on the question under examination. The Committee have also received and studied a large amount of important documentary evidence, including memoranda from all the chief European, Anglo-Indian, and Indian Associations, Chambers of Commerce and other leading associations in India. Appendix A to this report gives the names of the witnesses who gave evidence before the Committee, and also of those who were invited to give evidence before the Committee but who were unable to do so. We examined at considerable length the 26 witnesses, some of whom came from distant places at much personal inconvenience. They were from the following provinces: 6 from the United Provinces, 4 from Bengal, including 1 who also represented non-official Europeans in Assam, 4 from Madras, 3 each from Bombay, Bihar and Orissa and the Central Provinces, 2 from the Punjab, and 1 from Burma. They were distributed as follows: 13 Hindus, 7 Europeans, 4 Mohammedans, 1 Parsi and 1 Anglo-Indian. The witnesses were mostly leading members of the legal profession, who practise either in the High Courts or in the Mufassil, and we have had the benefit of their valuable experience. Every endeavour was made to ascertain public opinion, and, in order to secure the most competent witnesses in the country, invitations to give evidence were issued by the Government of India on three occasions, that is, in October, December, and January last. A statement of all the evidence placed before the Committee is given on Appendix B.

11. The most important provisions requiring examination are those contained in the Criminal Procedure Code, especially Chapter XXXIII and sections 4, 22, 111, 188, 275, 408, 416, 418 and 491 of that Code, together with section 65 (3) of the Government of India Act, section 56 of the Indian Penal Code, the Penal Servitude Act, XXIV of 1855, and the European Vagrancy Act, IX of 1874.

12.—A The principal distinctions between the provisions relating to Indians and those relating to European British subjects are as follows:—

(i) By virtue of the provisions of section 443 of the Criminal Procedure Code, European British subjects are not triable by a second

or a third class Magistrate and are only triable by a Magistrate of the first class if he is a Justice of the Peace and, save in the case of District and Presidency Magistrates, a European British subject.

(ii) The jurisdiction of Additional and Assistant Sessions Judges over European British subjects is restricted by section 444 of the Code to cases where they are themselves European British subjects and in the case of Assistant Sessions Judges to those who have been Assistant Sessions Judges for at least three years and have been specially empowered in this behalf by the local Government.

(iii) The sentences that may be awarded by first class Magistrates, District Magistrates and Courts of Session in the case of European British subjects are limited by sections 446 and 449 of the Code to three months' imprisonment and a fine of Rs. 1,000; six months' imprisonment and a fine of Rs. 2,000; and one year's imprisonment and unlimited fine, respectively.

(iv) In the case of trials before a High Court, Court of Session or District Magistrate, European British subjects are entitled by sections 450 and 451 of the Code to be tried by jury, of which not less than half shall be Europeans or Americans.

(v) Section 456 of the Code gives to European British subjects remedies in the nature of *habeas corpus* which are more extensive than those provided for Indians by Chapter XXXVII.

(vi) Under the provisions of sections 408 and 416 of the Code European British subjects have more extensive rights of appeal in criminal cases than Indians, in that they may appeal against sentences in which an appeal would not ordinarily lie; and they also have the option of appealing in the alternative to the High Court or to the Court of Session.

(vii) Under section 111 the provisions of the Code regarding the taking of security for good behaviour in sections 109 and 110 do not apply to European British subjects in cases where they may be dealt with under the European Vagrancy Act of 1874; and

(viii) The definition of High Court is not so wide in the case of European British subjects as it is in the case of Indians.

B. The only distinction between the provisions relating to Indians and those relating to Europeans (not being European British subjects) and Americans is that under the provisions of section 460 of the Code in every case triable by jury or with the aid of assessors, in which a European (not being a European British subject) or an American is an accused person, not less than half the number of jurors or assessors must, if practicable and if claimed, be Europeans or Americans.

13. To turn to the particular changes which are proposed :—

The first one is the amendment of the definition of European

*British subject in section 4 (1) (i) of the Code.*—It is generally admitted that this is not a satisfactory definition ; for instance it includes a non-European domiciled in Natal but not a European domiciled in East Africa. Having regard to all the facts we recommend that the definition of European British subject should be amended by striking out all the words in clause (i) of section 4 (1) (i) after the word Ireland, thus omitting all reference to the British Possessions or Dominions outside Great Britain and Ireland. If this alteration is made, there will still be a difference between the definition of European British subject in the Criminal Procedure Code and the wording of section 65 (3) of the Government of India Act, which runs as follows :—

“The Indian Legislature has not power, without the previous approval of the Secretary of State in Council, to make any law empowering any court, other than a high court, to sentence to the punishment of death any of His Majesty's subjects, born in Europe or the children of such subjects, or abolishing any high court.”

We are of opinion, however, that the definition of European British subject should not be assimilated to this description in the Government of India Act. We recommend two additions to our proposed definition. The first is that subjects of His Majesty born, naturalised or domiciled in any of the European, American or Australian Possessions or Dominions of His Majesty or in New Zealand or in the Union of South Africa should be classed as European British subjects when they are actually serving in India in His Majesty's British Army, Navy or Air Force. The reason for this addition is that when such persons are transferred to India, they have no option. They are not in the same position as those who of their own free choice come to reside in India. The second addition that we recommend is that subjects of His Majesty born, naturalised or domiciled in any of the European, American or Australian Possessions or Dominions of His Majesty or in New Zealand or in the Union of South Africa who at the date of the adoption of our proposals are in His Majesty's Indian Army, Royal Indian Marine or Indian Air Force should be classed as European British subjects.

Both the proposed additions will affect only a comparatively small number of men. A minority of the Committee, including the Government members, are of opinion that no distinctions should be made between persons serving in the British Forces and those serving in the Indian Forces.

14. The next question is *the definition of High Court in section 4 (1) (j) of the Code.*—We recommend that the definition of High Court should be the same in the case of Europeans as in the case of Indians, the Secretary of State in Council being requested to give his

previous approval to this change, having regard to the provisions of section 65 (3) of the Government of India Act. We are, however, of opinion that in regard to certain sections of the Criminal Procedure Code, only the Chartered High Courts, the Chief Court of Lower Burma and the Courts of the Judicial Commissioners of the Central Provinces, Oudh, Sindh and Upper Burma, should be included in the term "High Court."

#### JUSTICES OF THE PEACE FOR THE MUFASSAL

15. *Section 22.*—We do not think it necessary to express any opinion on the question whether Justices of the Peace should be retained outside the Presidency towns. We are, however, of opinion that whether the title is retained or not, it should not be a qualification for the trial of a European British subject. We are also of opinion that such appointments outside the presidency towns should not be restricted to Europeans. In regard to the trial of European British subjects generally we consider that outside the presidency towns the only distinction should be that the Magistrate in question, if the accused so desires, should not be below the rank of a first class Magistrate. We recognize that in this respect a slight distinction will still remain between European British subjects and Indians; but we believe that no objection will be taken on that account so far as offences punishable with imprisonment are concerned. We recommend, however, that offences punishable with fine not exceeding Rs. 50 only (and no other punishment), in respect of which a European is accused, may be tried by any Magistrate having jurisdiction normally in respect of such offences.

#### PROVISO AS TO EUROPEAN VAGRANTS

16. *Section 111.*—We consider that this section should be repealed, and that sections 109 and 110 should apply equally to Europeans and Indians. But at the same time we recommend that the European Vagrancy Act IX of 1874 should be retained, as it is required in connection with the deportation of undesirable Europeans.

The majority of the members of the Committee consider that an examination should be made of the question whether the period of three years prescribed in section 110, as the period for which imprisonment may be ordered in default of the production of suitable security, is not excessive. We are of opinion that the subject is one that deserves the attention of Government, and we venture to suggest that local Governments and High Courts should be consulted thereon.

Liability of British subjects for offences committed out of  
British India.

17. *Section 188.*—This section is in accordance with the provisions of the Government of India Act; no change is proposed.

Person charged outside presidency towns jointly with  
European British subject.

*Section 214.*—Amendments consequential on our proposals will be necessary.

Jury for trial of persons not Europeans or Americans  
before Court of Session.

*Section 275.*—The provision contained in this section should be extended to trials before the High Court—*vide* paragraph 24 below. Consequential amendments will be necessary.

Right of European British subjects to appeal to High  
Court or Court of Sessions.

18. *Section 408.*—*proviso (a).*—We are of opinion that this proviso should be repealed.

Saving of restrictions on appeals from sentences on  
European British subjects.

19. *Sections 413, 414, 415, and 416.*—We recommend the repeal of section 416. We consider, however, that outside the presidency towns in the case of all persons, both European and Indian, there should be an appeal against any sentence of imprisonment passed by a Magistrate. This involves a substantial modification of the general law of the land, and will to a certain extent increase the work of the Sessions Courts. Nevertheless we are of opinion, on general grounds and apart from the particular case of the European British subject, that an appeal should lie against any such sentence. It is to be noted that short sentences of imprisonment should, where possible, be avoided: and the number of sentences of one month and under passed by District Magistrates and first class Magistrates should not, as far as we can judge, be very large. In the case of a sentence passed in a trial by a Court of Session we would allow no appeal in respect of a sentence of one month or under. The question of an appeal in the case of sentences of imprisonment raises some difficulty in the case of summary trials. It has been suggested that, in order to meet this difficulty, all summary trials should be abolished. We are not, however, prepared to recommend such a serious change in the law of the land. We recommend instead that an appeal should lie against any sentence of imprisonment passed by a Magistrate trying a case summarily. Appeals lie even at present in certain cases against sentences passed in a summary trial; and section 264 of the Criminal Procedure Code deals with the record in such cases. Dr. Saprú and Sir William Vincent observe that the Government of India will ultimately be guided in a great measure by the opinions of local Governments and High Courts on the proposal to extend the

right of appeal in the cases mentioned in this and in the next sub paragraphs, as it may involve much increase in judicial labour.

We recommend no change in the provisions of section 413 in respect of appeals from sentences of fine only in ordinary cases, but we would in modification of section 414 permit a right of appeal from sentences of fine only which exceed Rs. 50 in summary cases.

We consider that public opinion should be invited as regards the punishment of whipping, in particular on the question whether the punishment should not be confined to persons convicted of any offences mentioned in section 4 of the Whipping Act, and also in the way of school discipline to juvenile offenders. A minority of the Committee are in favour of the complete abolition of the punishment of whipping except in the case of juvenile offenders. A majority of the Committee consider that if after the proposed inquiry the punishment of whipping is retained, it should apply to Europeans and Indians alike; that it should be provided for the same offences; and that the same classes of officers should have power to sentence to the punishment Europeans and Indians alike, subject always to the provisions of a right of appeal, even where the sentence is one of whipping only, and to the further provision that the execution of the sentence should be suspended pending the disposal of the appeal.

#### APPEAL ON WHAT MATTERS ADMISSIBLE.

20. *Section 418.*—We recommend that in all jury trials in which the jury are not unanimous or in which the jury are unanimous but the Judge does not agree with the verdict of the jury, both in the High Court and in Sessions Courts, an appeal should lie on facts as well as on law both in the case of conviction and of acquittal (the appeal in the case of acquittal being by the local Government) in respect both of Europeans and Indians. This right should be specially laid down in the Code and should be as free and unrestricted as in the case of any other appeal. The appeal should be heard by three Judges in the case of an appeal from a decision in a High Court and by two Judges in the case of an appeal from a decision in a Sessions Court. Sections 418 and 423 (2) should be amended accordingly. On this point we invite reference to the English Criminal Appeal Act of 1907. We recognize that this is an important alteration in the general law of the land, but we believe that it will receive considerable support from legal opinion in India. It has been pointed out to us that the English Act of 1907 does not recognize appeals against acquittals. But appeals against acquittals by the local Government form an integral part of the Indian Law; and it would not be logical to extend appeals on facts to certain jury

cases only in respect of convictions and not in respect of acquittals, especially as the chief complaint made against juries is that they are too prone to acquit.

Dr. Sapru and Sir William Vincent observe that the Government of India will ultimately be guided by the opinions of the local Governments and High Courts on the proposals contained in this paragraph. Mr. Rangachariar is in favour of allowing such appeals only where a mixed jury has been claimed and only in the case of an acquittal.

Magistrates empowered in cases against European British subjects.

21. *Section 443*—This section will require to be amended in the light of paragraph 15 above.

Judges in Courts of Session empowered in cases against European British subjects.

*Section 444*—We consider that the Section should be repealed.

Cognizance of offences committed by European British subjects.

*Section 445*.—Consequential amendments only.

Sentences which may be passed by provincial magistrates.

22. *Section 446*.—In our opinion District Magistrates and first class Magistrates (whether empowered under section 30 or not) should not be allowed to pass on European British Subjects any sentence other than a sentence of imprisonment which may extend to two years, including such solitary confinement as is authorized by law, or of fine which may extend to Rs. 1,000. It will be observed that these are the limits of the ordinary powers of a District or first-class Magistrate with the exception that they do not include a sentence of whipping. This is subject to our previous observations in paragraph 19. The majority of the Committee are of opinion that sections 30 and 34 should be repealed, on the ground that a sentence of more than two years' imprisonment should not be passed without the assistance of a jury or assessors.

Dr. Sapru and Sir William Vincent consider that the Government of India must ultimately be guided in a large measure by the opinions of the local Governments and the High Courts on the question whether it is practicable to repeal those sections. Some members of the Committee are of opinion that, if after inquiry it is decided to retain these sections, they should apply equally to Europeans and to Indians.

Commitment to be to the High Court in certain cases.

**23. Sections 447 and 448.**—These sections should be repealed.

Sentences which may be passed by a Court of Session.

**24. Section 449.**—We are of opinion that Sessions Courts should have power to pass the same sentences on Europeans as to Indians. Accordingly Sessions Judges and Additional Sessions Judges should have power to pass sentences of death, in the case of Europeans and Indians alike, subject as usual to confirmation by the High Court. This provision is to be read together with our proposal that there should be a mixed jury, that is, a jury of not less than half Europeans or Indians, as the case may be, in trials before the High Court and Sessions Court. In the very limited number of cases in the Sessions Court in which Europeans will be tried without a jury, they will be tried with European assessors. We develop this point later. We adopt the principle that a Sessions Judge or Magistrate should have power to pass the same sentence in the case of a European as of an Indian, and that safeguards should be obtained by other methods than by restricting the punishment which the presiding Judge or Magistrate can inflict. We recommend therefore that the Secretary of State in Council be requested to give his previous approval in accordance with section 65 (3) of the Government of India Act to this change in the law. As in the case of Magistrates, we make an exception in respect of the punishment of whipping.

#### JURY OR ASSESSORS BEFORE HIGH COURT OR COURT OF SESSION.

**25. Section 450.**—The most difficult question for the Committee to decide is that of the trial by jury of European British subjects. This is the point on which non-official European opinion is most emphatic, namely, that it is essential that a mixed jury should be retained. We have decided accordingly that the mixed jury should remain both in the High Court and in the Sessions Court in all cases which are to be tried by jury under our proposals, subject, however to certain provisions and safeguards, namely,—

I. The same law as to the composition of the jury shall apply to Indians as to Europeans, that is to say, the majority of the jury, if an Indian accused so desires, shall consist of persons who are not Europeans or Americans. This is already the law in Sessions Courts and section 275 should be so amended as to make it apply to the High Court also.

II. There shall be a right of appeal both on law and facts, both from conviction and acquittal, in the case of Europeans and Indians alike, except where the jury are unanimous and the judge agrees



with the verdict of the jury. The further conditions of the appeal are described in paragraph 20 above. This proposal is recommended as an alteration of the general law of the land; but in particular it is intended to form an integral part of our proposal to maintain the mixed jury.

III. The High Court Special Jury List should in our opinion be revised and it should no longer be limited to 200 Europeans and 200 non-Europeans. It should include all who are qualified, to whatever nationality they may belong. This revision will probably increase the proportion of non-Europeans in the list. This proposal involves the repeal of section 312 of the Code.

In the following respects the existing law should be maintained, namely, the number of the jury save with the two exceptions noted below will remain as at present; the number required for a conviction or acquittal in the High Court and in the Session Court will continue unchanged; and the right of reference in the Sessions Court under section 307 will also remain as it is; this will be in addition to the right of appeal. As it is proposed to grant a right of appeal from the verdict of the jury and the judgment thereon both on points of law and of fact in certain cases tried in the exercise of its original criminal jurisdiction by a High Court, a certificate from the Advocate General, as laid down in the Letters Patent, will not be necessary in every case of appeal from a decision in the High Courts of Calcutta, Madras and Bombay. This proposal will involve the amendment of the provisions of the Letters Patent by the Indian Legislature.

The exceptions that we propose in regard to the number of the Jury are :—

(i) in the Sessions Court the number should be any uneven number from five to nine which the local Government may select. Thus "five" should be substituted for "three" in section 274, as the minimum number of the jury in a Sessions Court; and

(ii) in murder cases before the Sessions Court we are of opinion that the number of the jury should, if practicable, be nine.

26. Another difficulty arises from the fact that a European can claim a trial by jury in any case in a Court of Session, whereas a very large proportion of the cases in Courts of Session in which Indians are accused are tried with the aid of assessors. To meet this difficulty we consider it necessary to make special provision for cases in a Court of Session in which racial considerations between Europe and India involve; and also to substitute for the trial of a European by a jury, in certain cases in Courts of Session

where racial considerations do not arise, trial with the aid of European assessors.

Our proposals are :—

(i) In any district in which for any class of offence Indians are normally triable in a Court of Session by jury the accused, whether Indian or European, shall be entitled to claim a mixed jury, that is to say, a jury consisting of not less than half of persons of his own nationality.

(ii) In any district in which for any class of offence Indians are normally triable in a Court of Session with the aid of assessors, but in which racial considerations between Europeans and Indians are involved, the accused, whether Indian or European, shall be entitled to claim a mixed jury, on the ground of the existence of such racial considerations. The Sessions Judge will decide the preliminary question whether in any particular case racial considerations are involved, and no appeal or revision shall lie against his decision on this preliminary point. He will have to decide who is the person really aggrieved. The exact wording of the provision will be a matter for the consideration of the draftsman, but where the accused and the complainant are of different nationalities, that is, where one is a European and one an Indian, racial considerations shall be deemed to arise.

(iii) In any district in which for any class of offence Indians are normally triable in a Court of Session with the aid of assessors and in which no racial considerations are involved, the accused, whether Indian or European, shall be tried with assessors, who, if the accused so claims, shall all be of the nationality of the accused. We add the further recommendation that in all cases triable with the aid of assessors there shall be, if possible, four, and in any case not less than three, assessors. The existing provision in Section 284 is that "two or more" assessors shall be chosen, as the Judge thinks fit.

It will be seen that so far as the European is concerned, his right of trial by jury will be taken away only in a limited number of cases in which no racial considerations are involved ; and in such cases instead of being tried by a jury of five (the usual number in the Court of Session) of which he can claim that not less than three shall be Europeans, he will be tried probably with four and in any case with not less than three assessors, who will all, if he so claims, be Europeans. In the case of an Indian, he will be able to claim a mixed jury in any case where racial considerations are involved ; and in any case triable with assessors, there will be not less than three Indian assessors.

27. In warrant cases outside the presidency towns, in which racial considerations between Europeans and Indians are involved, the accused and the complainant shall each have the right to apply to the trying Magistrate, on the ground of the existence of such racial considerations, for committal to the Sessions Court for trial by a jury of which not less than half shall be of the nationality of the accused. If the Magistrate decides in favour of the applicant, that is to say, if he finds that racial considerations are involved, he shall proceed to make a preliminary enquiry as in cases triable by the Sessions Court. If the Magistrate finds that no racial considerations are involved, the applicant shall have the right to appeal to the Sessions Court against the decision of the Magistrate on this preliminary point. We would give no right of appeal or revision from the decision of the Sessions Court on the preliminary point as to whether in any particular case racial considerations are involved or not. We have already in paragraph 26 indicated what we mean by racial considerations and when they shall be deemed to exist.

The Hon'ble Sir William Vincent would prefer to give the right mentioned in this paragraph to the accused only and not to the complainant also.

28. Similarly in summons cases outside the presidency towns we are of opinion that where—

(i) racial considerations, as already defined, between Europeans and Indians are involved, and also

(ii) the offence is punishable with imprisonment, the accused and the complainant shall each have the right to apply to the trying Magistrate that the case be sent to a Bench of two Magistrates of the 1st class, one Indian and one European, for trial, on the ground of the existence of such considerations. If the trying Magistrate decides against the applicant on this preliminary point, the applicant shall have the right to appeal to the Sessions Court against the decision of the Magistrate on the point.

When the case is tried by the above mentioned Bench, in the event of a difference of opinion between the Magistrates the case, with the opinions of the Magistrates, will be laid before the Sessions Judge, who, after taking such further evidence, if any, as he may think fit, shall pass such judgment, sentence or order in the case as he thinks fit and is according to law. From the decision of such a Bench there shall be an appeal in accordance with the ordinary law. An appeal against the decision of the Sessions Judge will lie to the High Court, if an appealable sentence is passed by him.

## JURY BEFORE DISTRICT MAGISTRATE.

29. *Section 451.*—We are of opinion that trial by jury before Magistrates should be abolished.

Details of procedure in cases in which European British subjects are concerned:—

*Sections 452 to 455 inclusive.*—Consequential amendments only.

## PROVISIONS CORRESPONDING TO HABEAS CORPUS

*Sections 456 to 458 to be read with Section 491.*—We are of opinion that the rights which Europeans enjoy of the nature of *habeas corpus* should be extended to Indians throughout British India. In this and other matters we would not interfere with the existing procedure in respect of Indian States.

## APPLICATIONS OF ACTS CONFERRING JURISDICTION.

*Section 459.*—Consequential amendments only.

## TRIALS OF EUROPEANS OR AMERICANS.

30. *Sections 460 and 461.*—These sections deal with Europeans (not being European British subjects) and Americans. We are of opinion that, unless any of the privileges in regard to any such persons are found to be based on treaty, they should be abolished.

Procedure in trials of European British subjects,  
Europeans or Americans.

*Sections 462, 463 and 534.*—Consequential amendments only.

31. *The Penal Servitude Act, XXIV of 1855 and Section 56 of the Indian Penal Code*—We are of opinion that Section 56 of the Indian Penal Code and Act XXIV of 1855 should be repealed. The commutation of a sentence of transportation can be effected under Sections 401 and 402 of the Criminal Procedure Code and the ordinary Prison Rules which apply to Indians and Europeans alike. We do not take objection to the commutation of sentences of transportation in the case of Europeans, but we are of opinion that statutory distinctions in this respect are not necessary. We are informed that the question of abolishing sentences of transportation as a form of punishment is under consideration.

32. *European Vagrancy Act, IX of 1874.*—It will be for the draftsman to consider whether any change is necessary in the European Vagrancy Act, having regard to the proposed repeal of Section 111 of the Criminal Procedure Code.

33. No change is necessary in the provisions relating to Presidency Magistrates.

34. To put our main proposals in respect of the modifications of the Criminal Procedure Code into tabular form, their effect will be:—

For European British subjects.

For Indians.

The same

I. An appeal will lie against any sentence of imprisonment passed by a Magistrate. There will also be a right of appeal against any sentence of fine exceeding Rs. 50.

II. In every case before the High Court and Sessions Court, in which he is tried by a jury, the accused will be entitled to claim a mixed jury, that is, a jury consisting of not less than half of the nationality of the accused, subject to—

(A) An appeal on facts as well on law in the case both of conviction and acquittal, when the jury are not unanimous, or when the jury are unanimous but the Judge does not agree with them.

(B) A probable increase in the number of Indians in the Special Jury List.

(C) A provision that the jury shall be not less than five and in all murder cases, if practicable, nine.

The same

III. The accused in the Sessions Court will be entitled to claim to be tried by jury in any class of case which is normally triable with assessors if racial considerations are involved.

The same

This provision is in addition to the right of trial by jury in all cases in the High Court and also in Sessions Courts where such a method of trial is prescribed under Section 269 of the Criminal Procedure Code.

IV. In any class of case in the Sessions Court which is normally triable with assessors and where no racial considerations are involved, he will be tried with assessors, who will not be less than three in number, and who, if the accused so claims, will all be of his own nationality.

The same.

V. In a warrant case in which racial considerations are involved, the accused and the complainant will each be entitled to claim the committal of the case to the Sessions Court for trial by a jury.

The same.

VI. In a summons case where racial considerations are involved and where a sentence of imprisonment can be passed, the accused and the complainant will each be entitled to claim that the case shall be tried by a Bench of two first class Magistrates, one Indian, and one European, reference in case of disagreement being to the Sessions Judge.

The same.

VII. In any other case triable by a Magistrate, if the accused so desires, the trial will be by a first class Magistrate, except in cases punishable with fine of not more than Rs. 50 only.

It is not practicable to extend this to Indians.

VIII. Judges and Magistrates, outside presidency-towns, will have power to pass all sentences which they are authorised by law to pass, except whipping and sentences under section 34 of the Criminal Procedure Code on which subjects inquiry is proposed.

The existing arrangements continue pending the result of the proposed inquiry.

NOTE.—Clauses I, IV, V, VI, VII and VIII apply only outside presidency-towns.

We also propose the repeal of Section 469 which provides for a special procedure in the case of Europeans (not being British subjects) and Americans.

35. We regret that one member of the Committee, Mr. Stuart Roffey, a representative of the non-official Europeans of Assam, owing to private and personal reasons, was unable to attend the meetings of the Committee and had to resign his seat thereon.

Some members of the Committee were unable to attend our final meetings.

36. In conclusion, we desire to place on record our deep sense of obligation to our colleague, Mr. Percival, I.C.S., M.L.A., who has, throughout the proceedings of this Committee, acted as Secretary and brought to bear upon the work infinite patience and great industry which has been of great assistance to us in the preparation of this report. We also desire to express our acknowledgments to Mr. Tomkinson, Joint Secretary in the Home Department, for the assistance he has given us generally.

Trj Bahadur Sapru, Chairman.

W. H. Vincent.

Abdul Kasim.

N. M. Samarth.

\*T. Rangachariar.

S. R. Das.

\*H. Gidney.

\*W. L. Carey.

P. E. Percival

\*Thomas C. P. Gibbons.

S. Sultan Ahmad.

L. A. Shah.

\*H. S. Gour.

SIMLA ;  
The 14th June 1922.  
CALCUTTA ;  
The 24th June 1922.  
PATNA ;  
The 10th July 1922.  
BOMBAY ;  
The 25th July 1922.  
NAGPUR ;  
The 29th July 1922.

## Minute By Mr. T. Rangachariar

### SCOPE OF ENQUIRY.

In pursuance of a resolution of the Legislative Assembly passed on the 15th September, 1921, recommending the removal of racial distinctions between Indians and Europeans in the matter of their trial and punishment for offences, the Government of India in their Resolution No. F-105 Home (Judicial), dated the 27th of Dec. 1921, appointed this committee declaring that they have already accepted the principle that there should be equality of status for all people in this country in the matter of criminal trials and proceedings.

\* Subject to a separate minute.

NOTE.—Mr. F. McCarthy, M.L.A., who was unable to attend the final meetings of the Committee, has intimated that if he had done so he would have signed the report.

## REPORT OF THE

By that order the Government have asked this committee to consider the existing racial distinctions in the criminal procedure applicable to Indians and non-Indians, and to report such modifications of the law as should be adopted to carry out the principle so accepted.

It is necessary to emphasize this aspect of the resolution at the outset. Some of the witnesses who appeared before the committee sought to raise the question as to whether the principle should be accepted at all. Whether or not the Government have accepted in full the recommendation of the Assembly to remove all racial distinctions, they have clearly adopted the principle that there should be equality of status for all subjects.

### THE EXISTING RACIAL DISTINCTIONS IN CRIMINAL PROCEDURE.

There are five classes of Criminal Courts under the Code to administer Criminal Justice—

- (1) Courts of Session including the High Court ;
- (2) Courts of Presidency Magistrates ;
- (3) Court of a Magistrate of the first class ;
- (4) That of a Magistrate of the second class ; and
- (5) That of a Magistrate of the third class. (*Vide Sec. 6*)

These Courts have power to try offences both under the Penal Code and under any other law subject to the limitations laid down in sections 28 and 29, etc. In respect of the passing of sentence also their ordinary powers are defined in sections 31 and 32, etc.

All Indians, and for the matter of that, all Asiatics, as well as all Europeans and Americans, not being British subjects, are amenable to the ordinary jurisdiction of these Courts and sentence according to law can be imposed upon these people, within the limits defined for each class of Courts, irrespective of the position, language or country, tribe or religion to which the accused may belong.

The main distinctions which exist in the case of European British subjects accused of an offence in the matter of their trial, commitment, sentence and appeal are exhibited in the subjoined table.

#### INDIANS.

(INCLUDING EUROPEANS AND AMERICANS.)

##### I. Trials.

Offences under the Indian Penal Code are triable—

- (a) by the High Court, or
- (b) by the Court of Session,
- or
- (c) by any other Court by

#### EUROPEAN BRITISH SUBJECTS.

##### I. Trials.

A chartered High Court, and the Chief Court, Lower Burma, may try any offence and pass any sentence authorized by law.

No Judge presiding in a Court of Session, except the Sessions

which such offence is shown in the eighth column of the second schedule to be triable (Sec. 28).

Offences under other laws—

1. By Court of Session.—If punishable with death, transportation or imprisonment for seven years or upwards.

2. By Court of Session, Presidency Magistrate or Magistrate of the first class or Magistrate of the Second class.—If punishable with imprisonment for 3 years and upwards but less than 7.

3. By Court of Session, Presidency Magistrate or Magistrate of the first class or Magistrate of the second class.—If punishable with imprisonment for 1 year and upwards but less than 3 years.

4. Any Magistrate.—If punishable with imprisonment for less than one year or with fine only (Secs. II).

Judge, shall exercise jurisdiction over a European British subject, unless he himself is a European British subject, and if he is an Assistant Sessions Judge unless he has exercised the office of Assistant Sessions Judge for at least three years, and has been specially empowered in this behalf by the local Government (Sec. 444).

In trials of European British subjects before a High Court or Court of Session, if, before the first juror is called and accepted, or the first assessor is appointed, as the case may be, any such subject requires to be tried by a mixed jury, the trial shall be by a jury of which not less than half the number shall be Europeans or Americans or both Europeans and Americans [Cl. (1), Sec. 450].

## II Commitment.

An Indian is ordinarily committed to the Court of Session (Sec. 206) and if in a Presidency town, to the High Court.

When an Indian is jointly charged with an European British subject, who is about to be committed for trial before the High Court, the Indian also must be committed to the High Court (Sec. 214.)

## III. Sentence.

The High Court may pass any sentence authorized by law. A Sessions Judge or an Additional

## II Commitment.

When the offence cannot be adequately punished by the Magistrate, the commitment for trial must be ordinarily made to the Court of Sessions [Sec. 447 (3)].

When the offence which appears to have been committed is punishable with death or transportation for life, the commitment is *direct* to the High Court [Sec. 447 (2)], as also when the commitment is by a Presidency Magistrate.

## III. Sentence.

The High Court may pass any sentence authorized by law (Sec. 31). No Court of Session shall



**Sessions Judge may pass any sentence authorized by law, but any sentence of death passed by any such Judge shall be subject to confirmation by the High Court (Sec. 31).**

**An Assistant Sessions Judge may pass any sentence, except a sentence of death or transportation for a term exceeding seven years, or imprisonment for a term exceeding seven years (Sec. 31).**

**Presidency Magistrate or Magistrate of the first class may pass any sentence of imprisonment for a term not exceeding two years, including such term of solitary confinement as is authorized by law.**

**Fine not exceeding Rs. 1,000 ; whipping (Sec. 32).**

**Magistrate of the second class may pass any sentence of imprisonment for a term not exceeding six months, including such solitary confinement as is authorized by law. Fine not exceeding Rs. 200.**

**It is not illegal to impose solitary confinement as a part of the sentence in a case tried summarily. 6-A 83.**

**Magistrate of the third class may pass any sentence of imprisonment for a term not exceeding one month. Fine not exceeding Rs. 50.**

**pass on any European British subject any sentence other than a sentence of imprisonment for a term which may extend to one year or fine or both (Sec. 449). No limit to fine. If before signing judgment Judge thinks that the offence which appears to be proved cannot be adequately punished by him, he should transfer the case to the High Court [Sec. 449 (2)].**

**A District Magistrate shall not pass any such sentence other than imprisonment for a term which may extend to six months or fine which may extend to Rs. 2,000 or both (Sec. 446).**

**The ordinary powers of a Presidency Magistrate are in no way curtailed in the case of European British subjects.**

**No Magistrate, unless he is a Magistrate of the first class, a European British subject, and a Justice of the Peace, shall inquire into or try any charge against a European British subject (Sec. 443).**

**No Magistrate, other than a District Magistrate, or Presidency Magistrate, shall pass any sentence on a European British subject other than imprisonment for a term which may extend to three months or fine which may extend to Rs. 1,000 or both (Sec. 446).**

**It is doubtful if the provisions of Chapter XXII (Summary Trials) can suitably be applied to European British subjects. Second and third class Magistrates cannot punish European British subjects, though they can take cognisance (Sec. 445).**

A sentence of whipping cannot be passed at all on a European British subject by any mofussil Magistrate or even by the Sessions Court.

#### *IV Appeal.*

Notwithstanding anything here in-before contained, there shall be no appeal by a convicted person in cases in which a Court of Session or the District Magistrate or other Magistrate of the first class passes a sentence imprisonment not exceeding month only or of fine not exceeding Rs. 50 only or whipping only (Sec. 413).

There shall be no appeal by a convicted person in cases tried summarily in which a Magistrate, empowered to act under Section 260, passes a sentence of imprisonment not exceeding three months only, or of fine not exceeding Rs. 200 only, or of whipping only (Sec. 414).

There shall be no appeal in cases tried by a Presidency Magistrate or Magistrate of the first class when the accused pleads guilty, except as to the extent or legality of the sentence (Sec. 412).

#### *IV Appeal.*

Nothing in Sections 413 or 414 applies to appeals from sentences passed under Chapter XXXIII on European British subjects: in other words, if a *European British subject is imprisoned for a single hour or fined a pie*, he has a right of appeal (Sec. 416).

Such appeal may be made either to the High Court or Court of Session at the option of the European British subject who is convicted (Sec. 408).

If a person not being European British subject is jointly tried with a European British subject before a District Magistrate, he cannot claim the right of appeal to the High Court reserved to European British subjects. 14 B 160.

#### MAIN FEATURES OF EXISTING SYSTEM

Aliens, whether Japanese or Afghans, are treated as Indians, whether titled Rajas, Maharajas or nobles or humble peasants, whatever their language—and there are a number of languages in the country—are all equally amenable to the jurisdiction and powers of all the Criminal Courts.

No Indian can claim trial by a jury before a Magistrate. No Asiatic alien can claim a trial by a jury of his own compatriots, whereas a European or American, though an alien, can claim to be

tried by a mixed jury in a jury case before the Sessions Court with a majority of his own countrymen—European or American. So also with reference to the panel of Assessors.

An European British subject is not amenable to the jurisdiction of any Indian Magistrate unless he is a District Magistrate or a Presidency Magistrate. An European British subject can claim to be tried by a jury even before a District Magistrate with an European or American majority in it. Indeed no Assistant Sessions Judge, nor even an Additional Sessions Judge presiding over a Court of Session can, unless he himself is an European British subject, try an European British Subject—and in all trials before a Court of Sessions, whatever the nature of the offence charged, an European British subject can claim a mixed jury with a majority—European or American.

The provisions in the Code regarding European British subjects, the mode of their trial and the punishment to be inflicted on them—these provisions in the code are essentially based upon racial distinctions—some of the provisions therein are paradoxical even : whereas an European British subject cannot claim to be tried by a jury, whether mixed or not, before an European first class Magistrate ; he can claim so to be tried before a District Magistrate. This is apparently because an Indian may happen to be a District Magistrate. Similarly also before a Sessions Judge. The system thus effectively secures what it aims at—an European Magistrate, Judge or jury for trying European British subjects for any offence,—except in the three Presidency-towns—and even in these three Presidency-towns in a trial before the High Court, an European accused can claim a mixed jury with a majority, European or American.

## RESULTS.

The result is :—

(1) the creation of a sense of racial superiority, if not arrogance, in one class of His Majesty's subjects and the placing of a stamp of inferiority on another class, and in their own country, of the subjects of His Majesty ;

(2) the Legislature of the country openly denouncing the natives of the soil as a class incompetent and unfit to try offenders belonging to a particular section ;

(3) a tendency to create a sense of security or practical immunity from punishment in the minds of European British subjects ;

(4) the corresponding feeling of helplessness in the minds of the larger section of the population against offenders of a particular class.

(5) to crown all, the resulting indifference among European British subjects to Legislation on Crimes and Criminal Procedure by reason of the existence of these particular provisions for them;

(6) also failure of justice.

That this system has also resulted in several cases in gross miscarriage and travesty of justice cannot but be admitted. That there is such a belief among the Indians is notorious. Some attempt was made by some members of the Committee to cross-examine the witnesses who spoke as to this belief with a view to elicit particular instances of miscarriage of justice. That line of cross-examination is hardly of any use when the question is one of general impression. That this belief among the Indians is largely shared by responsible Europeans and local authorities in the country is amply borne out by the papers placed before this Committee.

#### JUSTICE AND EQUALITY.

The objection rests therefore not merely on sentiment but on the two watchwords which guide the present Government, *vis.*, justice and equality and to such a Government already convicted that there should be equality of status for all people in this country in the matter of criminal trials and procedure, it is unnecessary to pursue the matter further.

#### SOME GENERAL OBJECTIONS CONSIDERED.

It is stated that the time for considering this question is inopportune. It is true that racial feeling has been roused to a high pitch by the recent political activities of the non-co-operators. But it is also true that one of the great weapons in the hands of the non-co-operator, which is also a just weapon, is the maintenance of these distinctions.

#### PROBLEM STATED, AND ITS ORIGIN.

In that view the graceful concession of untenable points will be an act of true and great statesmanship. That the existing position is untenable will appear from a closer examination of the question. I pursue the matter further to make the thinking section among our European fellow-subjects pause and consider the question on its merits and I am indebted to the Madras Law Journal for the lucid exposition which I extract below :—

"Europeans and Americans who are not British subjects have hardly any special rights, the only thing allowed to them being the right to claim that 'in every case triable by a jury or with the aid of assessors, not less than half the number of jurors or assessors shall, if practicable and if such European or American so claims, be Europeans or Americans.' In the Code of 1872 a European or American not being a British subject had an absolute right to be

tried by jury. This provision was omitted in the Code of 1882 and he has no longer such right. No complaint has ever been made by foreign nationals that they have not been properly and efficiently tried by the ordinary Courts in India. Nor will the justice of such a complaint if made be admitted for a moment by the British people whose very boast is one of impartial and efficient administration of justice in this country. It will thus be seen that the special clauses relating to European British subjects can have no international analogy to appeal to and are frankly mere privileges. They are recognized as such even by the legislature and it is provided that those privileges are forfeited when a European British subject is declared a vagrant. The Indians have always regarded them as invidious distinctions based on racial considerations. As a matter of fact, they are survivals of a by-gone age and having regard to the changed conditions, are mischievous anachronisms keeping alive a sense of racial humiliation for Indians in their own country. The humiliation is felt the more keenly when the definition of that term is scrutinized. A European British subject is defined as—

(1) Any subject of Her Majesty born, naturalized or domiciled in the United Kingdom of Great Britain and Ireland or in any of the European, American, Australian Colonies or possessions of Her Majesty or in the Colony of New Zealand or in the Colony of Cape of Good Hope or Natal; (2) any child or grand-child of any such person by legitimate descent.

It is not merely the Englishman, Irishman or Scotchman born in the British Isles but also every specified Colonial whether he is a European, a Negro, a Maori, or one of any other of the numerous native races. An Indian woman perchance goes to England or to Natal and is delivered of a child there. The child will have all the privileges of a European British subject. The same would apply to naturalized foreigners; though as foreigners they had not these privileges, as soon as they are naturalized, they come to possess them. Other Colonials not being of British extraction within the limits prescribed have only to emigrate to Australia or to New Zealand or the Colony of Cape of Good Hope or Natal and they acquire the right to these privileges. The Indian who disowns his country and becomes a Colonial becomes entitled to these privileges. Other Colonials though of British or European extraction do not possess these privileges. The most galling and even humiliating portion of the whole thing is that Colonials that do not admit Indians into their country and make the most invidious distinctions against them, should have those privileges in their own land.

“These distinctions have their origin in the historical accidents of the beginnings of British occupation in this country. At the commencement they had no

racial hue about them and at one stage were even retained with a view to protect the native inhabitants of this country. The distinction was then between those that were BRITISH SUBJECTS and those that were not. It was the assertion of the right of European nationals to try their own offenders and settle their own disputes (whatever short shrift such a claim might have had with a Mughal Emperor like Aurangzeb). The continued recognition in theory of the Sovereignty of the Mughal served to perpetuate the distinction. So far as British territory strictly so called was concerned, there was no distinction between the Indian subject and the European subject. It must be noted that till 1833, the European, the predecessor of the non-official European British subject of to-day, was in India only by sufferance. He was regarded as an interloper and was not allowed to reside except under a special licence. Lord William Bentick's policy was to alter this state of things. He was anxious to facilitate the admission of settlers into the interior and give them the right to settle there but to couple with that right as a necessary and indispensable condition the liability to be governed by the same laws and to be under the jurisdiction under the same Courts as the natives of the country. It was in accordance with and in furtherance of this policy that Charter Act of 1833 was passed. It considerably enlarged the powers of the Indian Government to make laws, the only restraint being that they should not empower Courts other than those chartered by the Crown to sentence British subjects to death, a trace of which is to be found in the Government of India Act of 1915, Section 65, which provides that the Governor General in Council has no power without the previous approval of the Secretary of State in Council to make any law empowering any Court other than the High Court to sentence to the punishment of death any of His Majesty's subjects born in Europe or the children of such subjects (not all European British subjects). Till the Europeans came to be admitted freely into India, the special treatment in respect of Courts accorded to British subjects who were public servants was in effect a sort of DROIT ADMINISTRATIF which, having regard to the peculiar conditions, was more a protection for, than a racial discrimination against, the Indian. The state of things was altered when the Europeans came to be freely admitted. As a condition of their admission, responsible statesmen in England conceived that they should be subject to the same laws and be tried by the same Courts as the Indians. The racial aspect became pronounced when by the direct assumption of the Government of India by the Crown the Indian became, equally with the European, a British subject. The following extract from the despatch from the Court of Directors to the Governor General, dated the 10th December 1834, will bear out what we said above as to the conditions of the free admission, clause 59. 'First we are decidedly of opinion that all British-born subjects throughout India should be forthwith subjected to the same tribunals with Natives. It is of course implied in this proposition that in the interior they shall be subjected to the mofussil Courts. So long as Europeans penetrating into the interior held their places purely by the tenure of sufferance and bore in some sense the character of delegates from a foreign power, there might be some reason for exempting them from the authority of the judicature to which the great body of the inhabitants were subservient. But now that they are become inhabitants of India, they must share in the judicial habitudes as well as in the civil rights pertaining to that capacity and we conceive that their participation in both should commence at the same moment. It is not merely on principle that we arrive at this conclusion. The 85th clause of the Act, after reciting that the removal of the restrictions on the intercourse of Europeans with the country will render it necessary to provide against any mischiefs or dangers that may hence arise, proceeds to direct that you shall make laws for the protection of the natives from insult and outrage, an obligation which in our view you cannot possibly fulfil

unless you render both natives and Europeans responsible to the same judicial control. There can be no equality of protection where justice is not equally and on equal terms accessible to all.'

"The first of the steps taken to give effect to the policy was the passing of Lord Macaulay's Act of 1836, which subjected the European to the same Civil Courts as the natives of India. Though predictions were confidently made at the time by opponents of the measure that if it became law India would be deserted by British capital it need not be stated that the threatened eventuality has not yet come to pass. Lord Macaulay's Act applied only to Civil Courts but he left on record his opinion that similar legislation ought to be applied to Criminal Courts. Proposals for the purpose were submitted by the Indian Law Commissioners. Effect was sought to be given to them in 1849 in a Bill which proposed to make all persons subject to the Company Magistrates and Court outside the Presidency-towns, the only reservation being that no such Magistrates or Courts should have power to pass a sentence of death on any of Her Majesty's subjects born in England or on the children of such subjects. Lord Dalhousie in withdrawing the Bill said 'I am most clearly of opinion that the time has come when the exemption in question ought to be abolished and that the British subjects should be brought within the jurisdiction of Criminal Courts in the mofussil as they have long since been brought under the jurisdiction of the Civil Courts. But, after an anxious consideration of the subject, I must declare that I am not prepared to place the British subject under the Criminal law which is now administered in those Courts or to deprive him of his privilege of being judged by English law until we can place him under Criminal law equally good or at all events as good as the circumstances of India will admit of. This is far from being the case at present. The Criminal law administered in the mofussil is, in substance, the Mahomedan law modified from time to time by the Regulation and expounded by the decisions of the Sudder Court.' But by the passing of the Penal Code in 1860 and the Criminal Procedure Code of 1861 the one objection to which Lord Dalhousie attached weight was removed. But in the meanwhile the Mutiny had intervened and men's minds were clouded by passion. Nevertheless the controversy up to 1872 was not whether a European British subject should be triable by a Judge of particular race but whether he should be triable by a particular class of Courts. It was the Criminal Procedure Code of 1872 that really introduced race distinction. Inside the Presidency-towns, Magistrates and Judges have never been subject to any disqualification or disability and Indians have always been eligible to be appointed and have been freely appointed as Justices of the Peace with jurisdiction over European British subjects and the same state of affairs continues even after the Criminal Procedure Codes, the European British subjects being liable to be punished to the same extent as Indians by the Presidency Magistrates although they are recruited from the same class of officers as the mofussil Indian Magistrates."

### LANGUAGE AND HABITS.

Any attempt to justify the continuance of this racial privilege on the ground of a want of his knowledge of the language of the accused person or his habits and his motives, on the part of the Judge and the jury, will not stand a close examination. If such knowledge is essential, one or two jurymen with such knowledge will be enough. Then why insist on a majority? Habit and motives rarely affect the question of guilt and innocence. If it is a valid objection, then even so, it applies to all alike and we must

recruit such Magistrates and Judges only as have knowledge of all languages and acquaintances with people of all races and castes. Language of the witnesses is more important than that of the accused. This theory of qualification by knowledge of language in this sense was abandoned in England in the case of the trial of aliens as long ago as 1875.

#### SAFEGUARDS NECESSARY.

The circumstances of a small community living in an alien society liable at all times to racial prejudice entitle it to such measure of protection, as it is necessary to secure for it, not privilege, but justice. More cannot reasonably be claimed. We have now to see as to what measures could be adopted so as to remove the racial distinctions, while at the same time safe-guarding the principle stated just above.

The general accepted rule in all civilized communities is thus stated by Baron Pollock in *Regina v. Gaur* (at 9 Q. B. p. 100) : "Whatever rights civil or otherwise a man may have which may be affected by his domicile, it is, and must be, perfectly clear, by the Law of all Nations, that each person, who is within the jurisdiction of the particular country in which he commits the crime, is subject to that jurisdiction ; otherwise the criminal law would not be administered according to any civilized method."

It may be permissible to point out, however unpleasant the task may be that it is necessary, and absolutely necessary, to face the question and in so facing the question half measures will be absolutely useless, if not seriously mischievous.

The experience of the patched up compromise of 1883-84 must serve as a beacon-light in dealing with this question and Monsieur Joseph Chailley's comments on that compromise in section 8 of chapter V. of his book on "Administrative Problems of British India" may be perused with advantage.

#### FEAR OF AGITATION

True, one or two of the Bengal European witnesses have spoken to the determination of the Europeans of that province to carry on an intensive agitation in case the essential privileges hitherto enjoyed by the European should be withdrawn. But a *strong* Government, and I emphasize the word 'strong' for the Government of India, are advised by those very Europeans to be strong in dealing with Indian agitation, would not, I am sure, be deterred from doing what it considers to be its duty—to secure justice and equality to all alike. It is stated that the agitation will be constitutional and it may be expected that the agitation, if any, will not take the form it did in



1883 ; for the non-co operator, as prophesied by the *Punch* of those days, has copied the very methods adopted by them ; boycott of social functions, open disrespect for high-placed personages, tampering with volunteers and low whispers at canteens. It is agreed on all hands that it is desirable that these distinctions should be removed. Even those who advocate the retention of these privileges of Europeans admit that these distinctions should one day disappear, but their position is 'Not yet.' I do not think the time will ever come, at any rate not in the near future, when the European will willingly give up these privileges. It is not, and has never been, human nature to do so. So long as no injustice is done to him, the fear of any agitation on his part should not deter the Government doing its duty. On the other hand, if the situation is not radically changed, equally strong if not stronger protest would be evoked in the Indian community, and it has also to be remembered that the privileges now enjoyed are the creature of a Legislation at a time when there were no popular representatives in the Legislative Councils : whereas now, the Government have to put the measure through a Legislative Assembly which contains a large preponderance of popular representatives. Hence it is that even the European and Anglo-Indian Association of South India admit "that in view of the present political situation in India the Association recognize that change is inevitable and therefore propose to offer no opposition."

## RECOMMENDATIONS.

### *Trials before Magistrates :—*

It has been brought out in evidence that the conditions vary in each province in respect of the qualifications of the magistracy generally and in particular of magistracy of the 2nd or the 3rd class. In Madras, almost all the Magistrates are fairly acquainted with the English language and render their judgments in English—most of them being University graduates.

### SECOND AND THIRD CLASS MAGISTRATES.

I recognize second and third class Magistrates are given immense powers under the Code in dealing with the liberty of the person of His Majesty's subjects. I am confident that that would not have been the case if these Magistrates had also jurisdiction over European British subjects—regard being had to the present conditions of recruitment to these Magistracies and to the combination of executive and judicial functions in the District authorities. I quite recognize it will not be safe, from more points of view than one, to entrust the trial of European British subjects for serious offences in their

hands. I would empower all Magistrates to try European British subjects as well, in the case of all offences which are of a non-criminal character—that is to say, such as though technically criminal cannot be regarded as 'crimes' in the more serious sense of the term—as for instance contravention of Municipal Regulations or Railway Traffic Regulations or other contraventions *ejusdem generis* and not involving violence, cruelty or gross dishonesty. Thus we recommend that all summons cases—where the offence is punishable with fine only not exceeding fifty rupees—shall be triable by any Magistrate even in the case of European British subjects.

#### FIRST CLASS MAGISTRATES.

I would make all persons amenable to the jurisdiction of the first class Magistrate irrespective entirely of his nationality. The maintenance of the distinction between European first class Magistrates and other first class Magistrates is an anomaly that should be done away with at once. The same man while as a Deputy Magistrate on the outskirts of a Presidency-town as in Saidapet cannot try an European British subject, but can when he is posted as a Presidency Magistrate in Madras, try and convict European British subjects and sentence them to two years' rigorous imprisonment. The persons who are recruited to be Presidency Magistrates are mostly drawn from this class of persons who are appointed first class Magistrates. The testimony is uniform as to the fairness of the average Indian first class Magistrates of to-day. A safeguard against possible miscarriages of justice has been added in warrant cases in which racial considerations arise by enabling complainant and accused to have the trial removed to the Sessions Court to be tried by a mixed jury. The result is that all serious cases triable by Magistrates shall in the case of European British subjects at the option of the accused be tried by first class Magistrates or the Sessions Court.

#### JURY BEFORE MAGISTRATES.

I would not retain the right of an European British subject to claim a jury before a District Magistrate. The European British Subject has no right to claim a jury before an ordinary first class Magistrate. He has not the right to claim a jury before a Presidency Magistrate, who can give two years' imprisonment and who can be of any nationality. His right to claim a jury before a District Magistrate was only recently granted in 1884 by way of compensatory advantage to the possibility of an Indian District Magistrate trying him. In practice it was seldom claimed. To maintain it and yet give equality of status to an Indian would mean an extension of the jury system to the Indian too, before a Magistrate, and would lead to

complications. There is no justification for maintaining it and, indeed, even in England, there is no right to trial by jury in a summary case before a Justice of the Peace who can inflict six months' imprisonment (without a jury).

The power to inflict sentences in the case of Magistrates should be uniform in all cases within the jurisdiction and should not depend on the nationality of the accused before them. This footing of equality between an European British subject and an Indian subject before a Magistrate would have also the effect of enabling the present machinery for the administration of criminal justice being made good enough to be trusted with the lives and liberties of all subjects of His Majesty and every one would join in bringing it up to the proper level in the interests of all. This applies to the sentences of whipping also in case it is retained.

#### TRIALS BEFORE SESSIONS COURT.

As regards trials before Sessions Courts while I am averse to extend the system of trial by jury, I am also conscious of the fact that the Europeans attach a great deal of importance to trial by jury. But we should also note that the trial by jury to which the English citizen is accustomed at home, is a trial by twelve jurymen and for the verdict of the jury to be operative it should be unanimous. We here, have got neither that safety in numbers, nor that requisite of unanimity for verdict in the jury system obtaining in this country. If it is that right which the Britisher enjoys in England, viz, a panel of twelve jurymen, an unanimous verdict and the chance of the ballot, of course with the right of challenge, which is claimed, no reasonable objection can be made to such a claim. Here, in India, the jury may be any number from 3 to 9, and a bare majority in the Sessions Court and a majority of 6 to 9 in the High Court is enough to operate as a verdict, only, in the latter case, the Judge has to agree. In the Sessions Court, a majority of 2 to 1; or 3 to 2; or 4 to 3 is enough, and unless the Judge so strongly disagrees that in the interests of justice he is to make a reference to the High Court, he is bound to accept its verdict. So the insistence of the Britisher on having a trial by such a jury coupled with the right to have not less than one half of the number to be of his own race cannot be justified on reasonable grounds. While conceding the right to a trial by jury to all alike and without extending the system of trial—the Committee have been able to arrive at a satisfactory solution.

#### MIXED JURY.

I will now take up the vexed question of the right to claim a mixed jury in any case. The system of mixed jury suffers from cer-

tain obvious defects. It is perpetuating the racial distinction whether it be for the Indian or for the European. The jurymen would go into the box as if he was representing a particular community. The chances of securing even limited justice will be greatly diminished. The chance of the ballot is one thing; the choice of compatriot jurymen is another. If this is conceded, there is no reason why a claim to have the same religion or men speaking the same language or men of the same caste, if not of the same sub-caste, should not be justly and consistently recognized, or to have an Irishman for an Irishman or Welsh for a Welsh. Any European or American is good enough in the jury-box but not an Indian.

The claim is made for a mixed jury particularly in cases where racial animosity is excited and on the ground that then the mixed jury becomes not a privilege but a necessity. The European Association of Calcutta in their memorandum at page 3 suggest that the right to have a mixed jury may be extended to all in such cases—Indians and Europeans alike. One would have thought that in such cases in order to secure justice, no jury would be considered safe—as there will be bias always either for or against the accused. In such cases, exceptional as they are bound to be, the better remedy is not to give a mixed jury with a majority of men belonging to the race of the accused but to provide a special tribunal of two or three gentlemen of experience. While ordinarily, therefore, a right to claim a trial by jury may be granted, a right to claim a mixed jury need not be granted and liberty must be reserved to the trial Judge in a Sessions case to certify that in particular cases, on account of prevailing faction or prejudice, he is satisfied that trial by jury would be inappropriate and unsatisfactory and to ask the High Court to constitute a special tribunal to try such cases.

I doubt if it will afford any satisfaction to responsible public opinion in the country if the privilege of a mixed jury were to be acceded to Indians charged with crime; for it is difficult to conceive how failure of justice in the case of European accused would be compensated for by any enactment which is not calculated to advance further the ends of justice but might possibly lead to miscarriages of it in the case of Indian accused persons also. The Indians do not want equality in injustice and any attempt at or compromise of that sort is likely to undermine all respect for the administration of criminal courts in this country. If responsible European opinion does not desire that European offenders should escape punishment any more than the Indian would wish innocent Europeans to be convicted, any proposal short of the abandonment of a claim of a mixed jury with element of racial majority in it is likely to be received with the gravest suspicion by the Indian public.

I have tried my best to follow the advice given by the European Association to bring up the Indian to the level of the European in the matter of the administration of criminal justice whenever that can be done without detriment to principle or to justice. But where this levelling up process is likely to lead to the enlargement of the field for injustice or to increase the chance of it, as in the case of giving a mixed jury with a majority of jurymen of the race of the accused, the suggestion is not easy of acceptance. A further suggestion has been made to minimize the evils resultant on having a mixed jury with a racial majority, that the jury should be composed of not more than a bare majority of men of the same race as the accused and the rest should be of a different race. While it may be possible to work this out in Presidency towns it will not be practicable to do so in the mofussil stations, as in the case of an Indian accused the Court will be driven to find three out of seven or four out of nine non-Indians to serve on the jury. This system is open to the objection of keeping always in view in the minds of the jurymen that he is there because he belongs to the same nationality as the accused or because he belongs to a different nationality. While I do not desire to minimize the present situation and the risk of unjust conditions the remedy does not lie in accepting any such compromise of a bare majority and no more.

In political cases and cases involving racial issues, the safer course is to allow the trial judge a discretion to ask for a special tribunal either of his own motion or on application by the prosecution or the defence.

It must be remembered that the existing privileges were conferred at a time when popular will did not and could not assert itself in the Legislative Assemblies, and therefore such legislative precedent, sanction or dispensation cannot be the foundation of their continuance hereafter.

But it has been brought home to me during the discussions in the Committee that the European has been accustomed for a long series of years to regard trial by a mixed jury in this country as his prescriptive right. A complete reversal of that system is bound to produce an alarm in the minds of Europeans and may lead to an agitation of an undesirable character here and more so in England where it is easy to exaggerate.

Most of the privileges hitherto enjoyed by the European British subject and the consequent disabilities attaching to the Indians are to disappear on the rest of the recommendations now being made by this Committee, and it is understood that the European community are prepared to accept these changes.

If the chances of miscarriage of justice are reduced, and the same procedure is made applicable to all subjects of His Majesty, the objections to the existing system will be minimized, though not eradicated.

With a view, therefore, to satisfy responsible European sentiment, and to avoid racial animosities being provoked, I have after anxious consideration accepted with some reluctance the proposal to retain the system of trial by mixed jury in certain cases subject, however, to the safeguards contained in the report, and subject also to its extension to Indians in similar circumstances.

While it is necessary that justice should be administered properly, it is also necessary that the accused person, European or Indian, should feel confident that justice is being done to him. That he will not have, if he mistrusts the tribunal. Reasonable apprehensions on his part must carry weight with the Legislature. Who can deny that it is not difficult at present to rouse racial feelings on slight provocation? There is an atmosphere of racial prejudice just at present everywhere. Without deviating from "the principle of equality of status for all people," there must be some safeguards against miscarriages of justice on that account, both for the Indian and the European.

I have on fuller consideration agreed to the course recommended in the report, as I am satisfied that even the most reasonable European is wholly averse to doing away absolutely with this system of trial. The right to appeal against acquittals on fact and law will deprive the verdicts of the jury of their finality. This right and the procedure recommended for recasting the Special Jury List will be strong safeguards against miscarriages of justice in serious cases. The proposal to give a similar right to all accused persons takes away the characteristic of its being a privilege and a peculiar privilege of one community. I frankly admit that this solution is not quite satisfactory, but the more drastic course is bound to create fresh animosities between important communities, which it is necessary to avoid in the interests of good government.

I now propose to deal with the point on which I differ from the recommendations of the majority of the Committee. The Committee propose to extend the right of appealing both on facts and law against all verdicts of jury, whether of conviction or of acquittal, if not unanimous and the Judge agrees, in all cases of trial by jury. I regret I cannot agree to that recommendation. I am willing to impose the risk of an appeal against acquittals both on facts and law as a disability attaching to a claim to a trial by a mixed jury under similar limitations and as a safeguard against an unjust acquittal.

I do not see why he should be given the further privilege of appealing against a conviction by a tribunal of his own choice.

In other respects I would leave the law as to appeals in jury trials and against acquittals as it stands at present. Appeals against acquittals are a unique feature in the Indian Criminal Procedure. If it is to be extended at all it should only be on the ground that the accused person brings it on himself by insisting on a particular constitution in the tribunal which tries him. Where the accused person submits to be tried by the courts and tribunals which the State has provided, why should he be exposed to all the risks and expense of a second trial before another distant court? The law as to appeals in ordinary jury cases has worked well so far and there has been no demand for its alteration. The change proposed of allowing appeals on facts and law against all verdicts of the jury, including ordinary trials before the court even without the safeguard of the certificate provided in the English Act, is so opposed to the prevailing ideas about criminal trials by jury and finality of verdicts that I may confess to a feeling of instinctive dislike to the proposal. If every accused person whether in the Sessions Court or in the High Court convicted in a jury trial is allowed to appeal as in Assessors' cases, the High Courts will be flooded with appeals. To add to it, the Government is to have the right of appeal against all acquittals. That in effect is the recommendation of the majority of the Committee and I am constrained to dissent from the same on grounds aforesaid.

I quite realize that my position allowing an appeal against an acquittal and not against a conviction is open to the reproach of inconsistency, but if my position, namely,—to impose a penalty on a person claiming a mixed jury—is understood, the reproach loses its force. It is as a conditional privilege I will retain the mixed system.

#### SENTENCES.

As regards the sentence awardable by a Sessions Court, I would make it uniform, no matter to which nationality the accused belongs. I would obtain the necessary sanction under section 65, cl. 3, of the Government of India Act to enable the Indian Legislature to pass the enactment.

#### MINOR QUESTIONS.

Among the minor points on which there is not much difference of opinion or opposition, is the one contained in section 111 of the Criminal Procedure Code, which provides that sections 109 and 110, section 109 being security for good behaviour for vagrants and suspected persons and section 110 being security for habitual

offenders, do not apply to European British subjects in cases where they may be dealt with under the European Vagrancy Act of 1874. The European Vagrancy Act is a beneficial measure and there is no reason why it should be repealed. On the other hand, it may be useful to extend a similar protection to Indian vagrants. But as this distinction in favour of European vagrants is not harmful, I do not advocate its abolition. I fail to see as to how cases coming under section 110 can at all come under the European Vagrancy Act, while perhaps section 109, cl. (b), may apply to such persons under the Act of 1874. I agree that section 111 should be repealed.

I would abolish all provisions relating to Justices of the Peace except in so far as they may be necessary for Indian States.

If any distinction of privileged Criminal Procedure and Courts is to be maintained at all there is as much reason for extending such privilege to a Zulu or a Colonial—and no object is gained by trying to restrict the definition of 'European British subject.' The more extended the definition of the term, the more patent is the absurdity of this special procedure. The Indian point of view will not be met by restricting or altering the definition of 'European British subject.'

As regards *Habeas Corpus*, it is necessary that all subjects should have the same right as the European British subject, and in fact this is conceded. Sections 456 and 491 may be amended to achieve this end.

#### THE POSITION SUMMED UP.

The existing differences owe their origin to a state of things which no longer exists.

They originated at a time when there were two classes of Courts with different systems of law, where the non-official European could settle in the country only by license and there was a conflict between the company's servants and others. They are mere privileges for which no analogy can be found except in uncivilized systems of law.

They are inconsistent with equal rights now recognized between all classes of His Majesty's subjects and tend to lower the Indian in the eyes of the civilized world. They were discountenanced from the very first by great statesmen and were intended to be given up after the country came completely under British influence and British systems of law.

There has been great advance in education and the Indian is moving in most places on terms of equality with the European.

These privileges are not enjoyed in the adjacent colony of Ceylon nor in French India.



Past experience has shown they are not necessary.

Civil justice is fairly administered by the Indians without discrimination for nearly a century. The fears of the experiment in 1833 have proved to be groundless.

In Presidency towns criminal justice has always been administered by Indian Presidency Magistrates to all alike without distinction. There has been no complaint that Europeans and Americans have not got these privileges.

So it is not a question of knowledge of language or habits.

In fact, their right to have a jury, which they had under the Code of 1872, was taken away in 1882 and they are amenable to the full jurisdiction of all classes of Criminal and Civil Courts.

There was no right for the European British subject to claim a jury in all Sessions cases before 1884. He could have been and was tried without a jury in Sessions cases under the Code of 1872.

He has no right to claim a jury before a first class Magistrate nor before a Presidency Magistrate. The jury-trial in this country is quite different from the jury-trial in England.

The claim advanced is to a mixed jury with a racial majority.

The cases for which a mixed jury is deemed essential are the very cases in which a jury trial may be said to be unsuited.

Protection against racial bias or political prejudice might be given otherwise, but European opinion is every strong on this point, and it cannot be disregarded.

The objection to Indian first class Magistrates and Judges as such is not now seriously pursued, nor can such objection, when it is made be considered for one minute. The conditions as regards second and third class Magistrates vary in each province and in their cases there should be no legislative declaration that they are incompetent to try particular classes of offenders, those certain offences may be made removable to a first class Magistrate.

The existing general jurisdiction and powers given to Magistrates are too wide and should be curtailed and attempts should be made to improve the magistracy by careful recruitment.

The right of appeal should be extended so as to bring the Indians up to the level of the European British subjects.

In conclusion, it has to be recognized that by the recommendation made by the Committee the Indian gains some very substantial points.

SIMLA ,

*The 10th June 1922.*

T. BANGACHARIAR.

**Minute by Mr. W. L. Carey M. L. C.**

\* In signing the Report I have been influenced by the desire, in common with my community, throughout the Committee's deliberations to attain unanimity with the Indian Members in the proposal for the removal of racial distinctions from the Criminal Procedure Code in so far as they constitute racial inequalities. Personally I have approached the problems before the Commission with three main principles in my mind.

*Firstly*, that it is an essential part of any sound system of Criminal Law that the accused should feel confidence in the tribunal before which he is arraigned and the method of trial.

*Secondly*, that all reasonable safeguards which are either demanded by Indians or which it otherwise appears would be desirable should be granted to them.

*Thirdly*, that none of the rights and privileges hitherto enjoyed by Europeans should be taken away from them save for good cause.

These are principles which I have found actuating all Europeans with whom I have discussed this matter, and it is only fair to state here that the unofficial European Community, at informal meetings which were held from time to time has agreed, in violation of the third principle, to give up many of their privileges with a view to an amicable solution. I have not demurred at this withdrawal of many valued rights and privileges enjoyed in the past by Europeans, some of which it is recognized are not in consonance with the spirit of the present day, but I have kept before me the essential conditions that the judicial system should justify the confidence of the accused and that safeguards should be provided against ebullitions of feeling which have always been liable to occur, and which at the present time are being directly encouraged by a section of the India Community.

The general recognition of the necessity for such safeguards is evidenced in the procedure suggested in the Report whereby the system of mixed Juries, before whom Europeans have been tried in the past, has been extended to members of both races in all warrant cases where racial considerations are involved, whether triable before a High Court or a Sessions Court. In addition to this provision the report advocates the transfer of all warrant cases where racial considerations are involved at the option of the accused person from a Magistrate's Court to a Sessions Court. These safeguards against the influence of racial feelings on the administration of Justice are satisfactory so far as they go, for they conform to the principle first enunciated. and at the same time by ensuring a senior

Court for the more complicated cases, in which racial feelings from outside the circle of those implicated may play a part, the proposed safeguards do what is possible to ensure non-interference with the judiciary. These provisions which embody no racial inequalities and infer no reflection on the Magistracy, unless admitted lack of experience in comparison with the Sessions Courts can be so considered, are restricted in application to warrant cases in the Report, and it is at this restriction that I dissent from my Colleagues. Summons cases often involve as much racial feeling as cases of a graver description, and I am of opinion that the safeguards which are admitted to be advisable in warrant cases should be available at the option of the accused in all summons cases where racial considerations are involved and the punishment may embrace imprisonment or a fine of over Rs. 50. The proposal in the report for a mixed Bench composed of two first class Magistrates, one of each nationality, is a recognition of the necessity for some precaution against racial feeling and it is in my opinion illogical to depart from the system put forward for warrant cases and to introduce a procedure which the progressive Indianization of the services may make difficult to maintain. The extra work entailed in Sessions Courts by the extension of the warrant case procedure to summons cases, where racial considerations are involved, is likely to be inconsiderable, but the extra confidence which would be inspired in a community, to give up many privileges in the interests of racial amity, would be an added guerdon to the friendly relationship which must pervade all parties in the country if the Reforms are to develop smoothly to the declared goal of Constitutional Independence.

The only objection which can arise to the transfer of summons cases to Sessions Courts is in the case of parties of insufficient means to pay for this transfer, and in these instances I would suggest that Government should undertake the expense of the prosecution.

A further point of considerable importance to the European Community is the right of an accused person to give evidence on his own behalf; for, in view of the isolated condition in which many Europeans find themselves, rendering defence witnesses impossible in cases of prosecution, I am of opinion that this right should be generally accorded to all in order to facilitate the administration of justice. In any legislation therefore resulting from this Report, I most earnestly urge that these points, on which I know strong opinions are held by many of my countrymen, should be embodied not merely as a measure of goodwill towards the section of the community whose legal status is being very considerably lowered but as an addition to the efficiency of the proposed amendments to the Criminal Procedure Code.

With reference to the enquiry which it is understood is still to be held as to the possibility of extending Jury trials in districts where they do not at present exist, I would like to say that it is hoped that this action may be found possible in all districts or, at least, that if it is not found possible for all districts that it will be extended wherever it is so found possible.

In conclusion, I would draw attention to the very considerable advances on many substantial points making for satisfactory justice which Indians as a whole will have made as the result of this Report if it is adopted, and as a return for which, I trust further, it may be found possible still to accord to the European Community the two points dealt with in this Note.

W. L. CAREY.

CALCUTTA ;

*The 21st June 1922.*

Minute By Mr. T. C. P. Gibbons K. C.

I generally agree with Mr. Carey's Note.

Minute by Lieutenant-Colonel H. A. J. Gidney, M. L. A.

As representative of the Anglo-Indian and Domiciled European Committee I have approached the problem with the same objects in view as Mr. Carey, and the proposals in his minute have my support and endorsement.

Minute by Mr. Justice Shah

I regret that I was unable to attend the final meetings of the Committee at Simla held on and after the 10th June last.

2. I have signed the report subject to this minute, in which I have confined my observations as far as possible to those points connected with the specific recommendations made in the report about various differential provisions as to which I have thought it necessary to state something by way of explanation or to express my own view of the matter. In other respects I entirely agree with the recommendations contained in the report.

3. At the outset I desire to state that the removal of the racial distinctions from the Code is necessary and desirable in the best interests of the administration of justice.

4. As regards the definition of European British Subjects, I am in entire agreement with the recommendation of the report. I

do not think it would be fair to restrict it to the limited class of persons indicated in section 65 (3) of the Government of India Act (5 and 6 George V, Chapter 61). As regards the inclusion of persons from the Dominions of His Majesty serving in His Majesty's Indian Army, Royal Indian Marine or Indian Air Force I would leave it to the Government of India to decide the point; I would accept their decision.

5. As regards section 22 I am in entire agreement with the recommendations in paragraph 15 of the report. The differential treatment will be confined to cases triable by the Second and Third Class Magistrates and even then only to cases which are punishable otherwise than by a fine only of Rs. 50. This is an exception to the general scheme of the recommendations, which appears to me unavoidable under the circumstances, and so far as I have been able to ascertain the Indian opinion on this point as reflected in the evidence before us, it will not be objected to.

6. As regards section 111 I agree with the recommendation so far as it goes. But I think that so long as an alternative procedure in the case of Europeans is open under the European Vagrancy Act, the differential treatment in practice will not disappear. I am not in any sense opposed to the scheme of the European Vagrancy Act: but the humane provisions of that Act afford a strong contrast with the somewhat severe provisions of Chapter VIII as regards the preventive punishments. The real remedy to remove the differential treatment in practice as in law is to modify the penal provisions of Chapter VIII in the Code. Even apart from this consideration experience has shown that these preventive provisions are at times used for punitive purposes. In order to reduce the chances of their being so used, as also to reduce the chances of differential treatment, I think that it is desirable to reduce the maximum sentence of three years to one year and to provide that the imprisonment to be inflicted in case security be not furnished shall be simple. If the object is merely prevention and not punishment, I think detention for a period not exceeding one year may well be considered sufficient. If necessary the local Governments and High Courts may be consulted on the point.

7. As regards section 408, I agree with the recommendation in the report so far as it goes; but I suggest a modification of proviso (b), so far as it relates to Magistrates exercising powers under section 30 of the Code. I shall state my reasons for repealing section 30 when I come to deal with that section hereafter.

8. As regards sections 413, 414, 415 and 416, I am in favour of the recommendations so far as they go. As regards the sentence of whipping I am not in favour of its total repeal, but would restrict

it to certain cases as suggested in the report. My opinion as to appeals from sentences of whipping is in accordance with what is described in the report as the opinion of the majority. I desire to make it clear that the opinions that are to be called for should be called for on the footing that the provisions as to the appealability of sentences are to be uniform as regards all European British Subjects as well as others. I would not allow any considerations of increase in work, or of alteration in the existing division of work, to weigh against the desirability of making the right of appeal uniform.

9. As regards section 418, I am of opinion that there should be a full right of appeal on fact and law in cases tried in the High Court as well as in the Sessions Courts, quite independently of the consideration whether the verdict is unanimous or not and whether the Judge has agreed with the verdict or not. In the High Court the Judge is bound by unanimous verdicts and in the Sessions Courts there is no scope for appeal where he differs, as those cases would be referred to the High Court under section 307. I shall deal with this point further when I come to deal with the questions relating to trials in these Courts. I desire to note here that I fully admit that such a right of appeal detracts to a certain extent from the value of jury trials; but in England such a limitation is recognized in the interests of justice. Unless we can get rid of jury trials altogether, which I think we cannot do and ought not to do, I am of opinion that this right of appeal both from convictions and acquittals as an integral part of the system as a necessary safeguard against possible miscarriages of justice in jury trials is essential or at any rate unavoidable.

10. As regards section 446, I agree with the recommendation so far as it goes. But in two particulars I am unable to agree with the report. I think the Court should have exactly the same powers as to whipping while punishing a European British subject as it has as regards other persons. I have already indicated that the sentence may be made appealable. But on principle and on general grounds of the administration of justice I am opposed to investing the same Court with different powers on any point according to the nationality of the accused. If no satisfactory solution of this question be possible on the lines I have indicated, I would much sooner repeal the sentence of whipping than leave any ground for complaint on the part of Indians on this point.

10(a). The second point in connection with this section relates to the differential treatment arising out of the provisions of section 30 in the areas to which that section applies. I am in entire agreement with the recommendation in the report that the Magis-

trates empowered under section 30 should not have power to sentence European British Subjects beyond their ordinary powers. But I am entirely opposed to the retention of section 30 on the Statute Book. It is not reasonably possible to make it uniformly applicable to all persons including European British Subjects. I think the European British Subjects will protest, and in my opinion quite rightly, against any such proposal. The only other alternative is to repeal it. I think the section deprives an accused person of many important safeguards which he has in cases triable by Sessions Courts. It deprives the accused of jury or assessors; and it substitutes a District Magistrate or a First Class Magistrate specially empowered by the Government for a Sessions Judge, an additional Sessions Judge or an Assistant Sessions Judge; a District Magistrate or a First Class Magistrate specially empowered may not be, oftentimes would not be, an exclusively judicial officer, like the Sessions Judge or Assistant Sessions Judge, and would not ordinarily be an officer of the same rank and judicial training as the latter. By investing a District Magistrate and a First Class Magistrate with such extensive powers under the Code, the accused are deprived of some of the most effective safeguards in a criminal trial in a Sessions Court. I do not see how its retention can be justified, except on grounds of administrative convenience, which I think ought not to be allowed to weigh against considerations of judicial propriety. I wish to make it clear that I am entirely in favour of its repeal and do not wish to see it extended to one single person more than those to whom it effectively applies at present. I would therefore recommend the repeal of section 30 and 34 and corresponding modifications in other sections of the Code where sections 30 may have been referred to.

11. As regards section 449, I would recommend its repeal altogether. I entirely agree with the recommendation so far as it goes. But I would make no exception as regards the sentence of whipping. The reason stated above in paragraph 10 apply with greater force to Sessions Courts. I am unable to see any justification for such an exception in the case of Sessions Courts, which we recommend should have powers to inflict the highest penalty known to law upon all alike.

11(a). As regards the sanction required under section 65 (3) of the Government of India Act, I desire to express my agreement with the recommendation in the report and to point out that under the existing law every death sentence is subject to confirmation by the High Court. The provisions of Chapter XXVII (sections 374—379) of the Code of Criminal Procedure define the powers and the duties of the High Court in such cases.

12. The next point relates to section 450, about trials by jury. Generally speaking, I am in agreement with the recommendations contained in paragraph 25 of the report. I desire to make it clear that I prefer the composition of jury on non-racial lines, if it were reasonably possible. But it appears from the evidence that the European British Subjects are so keen on this question that they would rather have no jury than a jury other than a mixed jury. They feel rightly or wrongly that they would not get just verdicts from juries otherwise composed. I do not consider it fair or desirable to deprive them of the benefit of the system to which they are used so long, and in which they have faith. By giving to the other subjects also a corresponding right in trials before the High Courts by amending section 275, the plea of racial inequality will be met. But the complaint as to miscarriages of justice under that system remains. In order to meet that, the right of appeal should be extended in jury cases. I have already stated that the right of appeal should extend to all jury cases including cases in which juries are unanimous. The right of appeal is an integral part of our recommendations on this point: and I consider it consistent with that scheme to limit the right of appeal as suggested in the report. Without expressing any opinion as to how far the alleged miscarriages of justice are attributable to the system of mixed juries, on general grounds as well as the special grounds applicable to the particular matter of racial distinctions which we have to consider, I should think it necessary to have a full right of appeal on fact and law in all Sessions cases whether before the High Court or the Sessions Courts. As regards Sessions Courts, I consider the present provisions as to references to the High Court under section 307 also an integral part of this recommendation as a safeguard against any miscarriages of justice in trials by jury, quite independently of the composition of the jury.

12 (a). As regards the number of jurors in murder cases, I consider it desirable to have a larger number: but I would make the recommendation more elastic. I attach greater importance to the mode of trial than to the number of jurors and I would not allow the difficulty of giving effect to our recommendation as to the number of jurors in murder cases to be treated as a possible ground for changing the mode or place of trial in such cases. I would be satisfied with 5 or 7 where the conditions of the District would not allow so many as nine jurors for one trial.

13. As regards the recommendations in paragraph 26 of the report, I agree that they remove the existing element of racial inequality in the trials; but they do not remove the element of racial distinctions. As my general outlook on this question is



somewhat different, it is best that I should state what appears to me to be a fair and a preferable solution of this difficult question.

13(a). As regards the trials, before High Courts, there is no difficulty, as the same uniform system of trial by jury obtains at present. The only distinction is as to its composition which will be removed, if section 275 is amended as suggested.

13(b). As regards trials by Sessions Courts under the existing law they are held with the aid of Assessors to a large extent. The jury system is accepted to a limited extent. In short the European British Subjects have a right to claim a trial by jury whereas others have no such right except in the Districts and classes of cases determined by the local Governments for that purpose under the powers vested in them under section 269 of the Code. It is possible to remove this distinction in various ways : we may abolish juries altogether, or limit the right of the European British Subjects to trial by jury as in the case of Indians or extend the jury system to all alike. The first alternative appears to me to be quite out of the question under the existing public opinion both European and Indian. The second alternative leaves the trials with the aid of assessors as they are in the case of non-Europeans and seriously curtails the present right of trial by jury in the case of European British Subjects. As regards the system of assessors the evidence before us such as it is is not in favour of that system. This much is clear that the system affords no effective constitutional safeguard, as it is open to the presiding Judge to accept or to reject their opinions as he likes. I think myself that assessors are an aid to the Court, and the system implies a recognition of the principle that in serious criminal cases (i.e., Sessions cases) it is necessary or desirable to associate laymen with the trained Judge to be able to do justice to the case from all points of view. But as a system, it cannot be accepted as anything like a fair substitute for the jury system by way of safeguards in criminal trials. I have already stated my view that I am not in favour of depriving the European British Subjects of their right to trial by jury in Sessions cases ; and as the second alternative involves that result, I am not in favour of it. I prefer the third alternative. I would allow to non-Europeans the right to be tried by jury as is allowed to European British Subjects. I admit that this a controversial subject. Differences of opinion on the point are inevitable. I have considered the question from all points of view to the best of my ability in the light of my experience. I have not overlooked the consideration that in certain classes of cases, as for example in cases relating to offences against the State, murder cases, and gang cases relating to offences under Sections 400 and 401, Indian Penal Code, there may be certain

inconveniences and risks in jury trials. I do not think, however, that on balancing the considerations for and against the system, there is any valid reason to apprehend that the system will not work well. I think that the power of the Sessions Judges to refer cases to the High Court under Section 307 and the full right of appeal on fact and law in all Sessions cases whether before the High Court or the Sessions Courts afford adequate safeguards against all possible risks and inconveniences of this system. Personally I see no insuperable difficulty in the way of adopting that alternative. On the contrary, I see distinct advantages in adopting it. It is my belief that if this alternative be adopted, the present opposition to mixed juries on the one hand and keenness for them on the other will disappear, and it will be possible to dispense with mixed juries altogether in course of time. I cannot deal with all considerations for and against this proposal in this minute. But after all, it is largely a matter of opinion and I have stated my opinion: after a full consideration of the question in its theoretical and practical aspects, I consider it a practicable and sound proposition. I desire to refer to one point in particular. I am not sure whether the adoption of this system will entail any appreciable extra cost: at any rate the increase in expenditure does not appear to me to be an inevitable result of the change proposed. There are no materials before the Committee on this aspect of the question. But assuming that it will involve an appreciable increase in expenditure, I think that no question of costs should deter the Government of India from adopting this measure, which, in my opinion, is calculated to improve the administration of criminal justice and to enhance the confidence of the public in that administration. The resulting contentment among the people will amply repay the extra costs, if any, that this mode of trial may involve. I would recommend that the same uniform mode of trial by jury in the Sessions Courts be adopted in British India applicable alike to European British Subjects and others, subject, of course, to the safeguards already indicated against the possible inconveniences and risks of trials by jury, viz., the power of the presiding Judge outside the Presidency Towns to refer the case to the High Court when he thinks it necessary to do so, and the full right of appeal to the Crown and to the accused in all Sessions cases. If on any special grounds it be not feasible to introduce this system in some parts of British India, I am unable to see any reason why it should not be extended to the rest of British India.

13 (c) If for any reason this alternative cannot be accepted, I think (speaking with respect and deference) that the recommendations in the report afford the next best solution of this difficult question.

## REPORT OF THE

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14. As regards trials by Magistrates, in warrant and summons cases, I prefer the simple plan of trusting the First Class Magistrates in the case of British European Subjects in the same manner as they are trusted in the case of others. In the Presidency towns no distinction is observed, as regards the powers of the Presidency Magistrates either to try or inflict sentences upon accused persons whether European British Subjects or not : and in the mofussil as regards First Class Magistrates who exercise virtually the same powers as the Presidency Magistrates, I see no sufficient reason to observe any distinction, nor do I see any compelling reason to introduce the element of 'racial considerations' in these trials. But here again it is largely a matter of opinion. Personally I am in favour of trusting the First Class Magistrate in the same manner as the Presidency Magistrates particularly as in the case of the former the right of appeal is more extensive and will be further extended according to our recommendation. This right of appeal is a sufficient safeguard. But if this be not accepted, I think (with due respect) that the recommendations in the report as to the mode of trial constitute the next best solution of this question.

15. As regards the results indicated in the tabular form in the report, they would be subject to such changes as I have indicated in this minute. In brief, according to my suggestions there will be no racial distinctions left in the Code except as to the trials by Second and Third Class Magistrates of cases which are punishable otherwise than by a fine of Rs. 50 only.

16. In conclusion, I desire to add that I consider it a matter of great importance to have uniformity of Procedure in criminal trials as regards all persons, whether European British Subjects or not. It does not matter so much what particular line is adopted in altering the existing provisions with a view to have such uniformity. If once the uniformity of procedure is secured, I have no doubt that in future both Europeans and Indians will be interested alike in seeing that the defects in procedure, which experience may disclose hereafter are removed. It will be a great help to the administration of justice to have community of interest instead of separation as at present, as regards the rules of procedure, in criminal trials.

BOMBAY ;

L. A. SHAH.

*Dated the 25th July 1922.*

Minute by Dr. H. S. Gour. M.L.A.

(1) While I am most anxious to placate the sentiments of English residents in this country, I can not help observing that the

compromise embodied in the report will not ensure racial equality, but tend rather to perpetuate racial inequality. When the Legislature was practically in the hands of the Executive the people's representatives could well disclaim their responsibility for such inequality. But now with the elected majorities in the two Houses their responsibility is greater, and it is that sense of responsibility that has impelled me to pen this minute.

(2) I recognize the practical difficulty of eliminating all racial distinction *per saltum*. It is a heritage of the past which we can only slowly shake off. But we must make a reasonable advance in this direction.

(3) I agree with my colleagues that the definitions of "European British subject" both in the Government of India Act, and in Section 4 (1) of the Code of Criminal Procedure are unsatisfactory; but I do not agree with my colleagues in their proposed amendment of that definition. And my reasons are these :—

(i) I think that both the definitions proceed from a wrong standpoint, and are not in accord with constitutional law.

(ii) It seems to me that European British Subjects who make India their permanent home cannot insist upon the preservation of their right of ex-territoriality. Having chosen India as their home they must submit to its ordinary laws.

(4) The case of temporary visitors and dwellers is different, and though there is no reason why they should not equally submit to the ordinary British laws here, as they do in a crown colony like Ceylon, and in a foreign Asiatic country like Japan, still we might, as a concession to our weaker brethren, suffer them differential treatment. I would then limit the term "European British Subject" to mean—

"any natural born subject of His Majesty born and domiciled in the United Kingdom of Great Britain and not permanently resident in India.

(5) I regret it, but I must I suppose agree to colonial officers with the British Army in India being also treated as falling within the definition of European British Subjects.

(6) Regarding the right of appeal against convictions I think there is a great deal in Mr. Rangachariar's view, namely, that where the accused does not claim a special mixed jury there should be no appeal except against an acquittal.

(7) Referring to Section 26 (ii) I am not prepared to subscribe to the presumption there made that in a case arising between a European and an Indian racial considerations shall be deemed to arise.

NAGPUR,

H. S. GOUR.

Dated the 29th July 1922.



Report of the  
Civil Disobedience  
Enquiry Committee



# REPORT OF THE Civil Disobedience Enquiry Committee

To

**DESHABANDHU CHITTARANJAN DAS**

President, 36th Indian National Congress

EX-OFFICIO PRESIDENT, ALL-INDIA CONGRESS COMMITTEE, CALCUTTA  
Sir,

We beg to submit the following Report in compliance with the resolution passed by the All-India Congress Committee at its meeting held in Lucknow in June last. The circumstances which led up to the appointment of our committee are briefly indicated in that resolution. They form a part of "the situation" which we are called upon to investigate and are stated more fully in our Report.

In consultation with the members of the Working Committee present at its meeting held on the 9th June, Hakim Ajmal Khan, the Acting President of the Congress, appointed a Committee consisting of himself and the following members :—

Pandit Motilal Nehru.	Sjt. C. Rajagopalachariar.	Sjt. V. J. Patel.
Seth Jamnalal Bajaj.	Seth M. M. H. J. M. Chotani.	Dr. M. A. Ansari.

Hakim Ajmal Khan being the Acting President of the Congress was the EX-OFFICIO Chairman of this Committee.

Seth Jamnalal Bajaj could not accept the offer owing to his pre-occupation with the All-India Khaddar Scheme. Mrs. Sarojini Naidu was asked to take his place, but owing to ill-health she was prevented from doing so. The Chairman then invited Sjt. S. Kasturiranga Iyengar who cordially responded and joined the Committee at Jubbulpore. Seth Chotani was unable to join in the tour or take part in the meetings of the Committee.

Sjts. Hasan Mohamed Hayat, Mohamed Abdul Basit and Lalji Mehrotta were appointed Honorary Secretaries of the Committee and have discharged their duties with devotion and care. But for their willing and untiring help it would have been impossible to arrange, classify and analyse the mass of evidence adduced before us or to prepare the elaborate indices appended to the Report.

We desire to express our sense of obligation to the leading Congressmen of every place visited by us for the valuable assistance rendered by them and to the numerous workers and volunteers all over India who, one and all, strove not only to help us in our enquiry but to make us as comfortable as possible. We have special pleasure in placing on record our grateful remembrance of the warm and hearty reception accorded to us by many thousands of our countrymen, the Municipal Boards of Jubbulpore, Poona, Bijapur, Erode, Guntur and Berwada and other public bodies too numerous to mention.

To Pandit Motilal Nehru the other members of the Committee desire to express their indebtedness for writing the Report amidst much personal and domestic inconvenience.

Allahabad, }

30th October, 1922. }

We are, Sir,

Yours faithfully,

Ajmal Khan.	S. Kasturiranga Iyengar.	V. J. Patel.
Motilal Nehru.	C. Rajagopalachariar.	M. A. Ansari.



# INTRODUCTION

## APPOINTMENT OF THE COMMITTEE

The following resolution was passed by the All-India Congress Committee after prolonged discussion at its meeting held on the 6th, 7th and 8th June, 1922.

"This Committee records its satisfaction that, although in spite of the suspension of all aggressive activities by the Congress Committees, repression in a most severe form has been resorted to by the Government in several parts of the country, the spirit of the Congress workers has not been daunted and the constructive programme laid down by the Committee is being loyally carried out at great sacrifice in every province.

"The Committee has taken note of the widespread feeling that, in view of the extremely unfair manner in which the policy of repression is being carried out by the Government, the country should be advised to resort to some form of civil disobedience to compel the Government to abandon their present policy and to agree to concede the triple demand of the Congress. But the Committee is of opinion that the carrying out of the Constructive Programme will be the best preparation for even mass civil disobedience while it will also be the most effective means of furthering the objects of the Congress. The Committee therefore earnestly appeals to the country to concentrate all its efforts upon carrying out the Constructive Programme to the fullest extent and to endeavour to complete it within the shortest period possible.

"That the further consideration of the question whether civil disobedience in some form or some other measure of a similar character should be adopted, should be taken up at the next meeting of a Committee to be held at Calcutta on the 15th of August next.

"That in the meantime the President be requested to nominate and authorise a few gentlemen to tour round the country and report on the situation to the next meeting.

"Note.—This resolution does not in any way affect the resolution passed at Delhi on the 25th of February last."

## SCOPE OF THE ENQUIRY

2. The resolution quoted above embodies the terms of reference to us. As we understand those terms, we are called upon to report on the general situation in the country and place all available material before the All-India Committee which may help in the

"further consideration of the question whether civil disobedience in some form or some other measure of a similar character should be adopted." The term "civil disobedience" appears to be wide enough to include all forms of non-violent disobedience of law or order having the force of law. But, however wide the field it may cover, it is, in common with all other Congress activities, subject to the restriction that the line of action chosen must not offend against the principle of Non-co-operation accepted by the Congress, nor come into conflict with the programme laid down at the Special Session held in Calcutta and the regular Sessions held at Nagpur and Ahmedabad. We take it that the All-India Committee has no power to go behind the resolutions passed at these Sessions and entertain proposals inconsistent with them. It follows that the civil disobedience or other similar measure, the adoption of which is to be considered at the next meeting of that Committee, must be confined to some action authorised or permitted by the Congress resolutions as they stand, and that the "situation" which we have to investigate is intended to have a bearing on such action. That being so, all questions, involving a modification of those resolutions in any particular, would ordinarily be entirely beyond the scope of an enquiry of the nature we are called upon to make.

#### NATURE OF EVIDENCE TAKEN

Having regard, however, to the fact that changes in some items of the non-co-operation programme were insisted upon in certain responsible quarters long before our Committee was appointed and in view of the further fact that the All-India Congress Committee may be advised to make some recommendations in that behalf to the Congress, we invited and have since admitted evidence on all points bearing upon the future progress of the whole movements as will appear from the questions issued (Appendix I) and the tabular synopsis of the evidence recorded (Not printed). This course appeared to us all the more desirable as it was calculated to serve the two-fold object of collecting valuable general information without extra trouble and expense, and of relieving to some extent the tension of public feeling which had been apparent for some time past. We are glad to be able to state that our expectations in this respect have been realised. In the process of collecting a store of useful material we have by *viva voce* examination of witnesses cleared much of the mist that had gathered round the movement. This material will be available when the occasion to deal with it arises. We have, on all the points, endeavoured so to arrange and classify the evidence as to indicate the general feeling on any particular subject at a glance.

## THE PROCEDURE

3. The procedure followed in taking evidence was first to call for written answers to the questions published in the press and supply to the various Congress Committees, and then to examine such witnesses *vis a voce* as offered themselves. The written answers received in any centre were arranged in convenient groups representing distinct seats of opinions, and witnesses belonging to each group were then asked to elect a spokesman who was examined at length in the presence of other members of his group. After his examination was completed, each member of the group was allowed full opportunity to state his points of difference, if any, from the spokesman, and these points were duly noted. With a view to avoid invidious distinctions we refrained from sending our special invitations to selected gentlemen asking them to give evidence before us, and considered the general invitation implied in the publication of the question as to be sufficient for practical purposes. We have shut out no evidence of any kind offered to us and the opinions collected are fairly representative of all shades of political thought within the Congress.

We received written answers from 459 witnesses of whom 366 were orally examined by us, the remaining 93 not attending.

## ENQUIRY IN CAMERA

4. The *vis a voce* examination was conducted *in camera* for the obvious reason that an enquiry of this kind is, in its very nature, of a confidential character. We preserved this character with a view to encourage the witnesses to speak out their candid opinions without let or hindrance. Some of them, however, have published their written answers though the fact that the enquiry was being held *in camera* and that the representatives of the press had been excluded from the very beginning, was duly notified. On the question being raised at Poona, the Chairman left it to the discretion of the witnesses to deal with their written answers as they pleased but adhered to the decision in regard to the *vis a voce* part of the evidence for the reasons stated.

## EVIDENCE NOT PRINTED

5. After the completion of the enquiry certain members of the All-India Congress Committee suggested the printing of the whole evidence to enable members to have copies in good time before its next meeting. The proposal was considered by the Committee, but in view mainly of the heavy expenditure involved, the printing of the voluminous evidence was not undertaken. Careful charts, tables briefly summarising the evidence on each head of enquiry

have, however, been prepared to form a part of the report (Not printed) and facilities have been provided for the inspection of the complete record at six important centres, viz. Madras, Poona, Bombay, Delhi, Allahabad and Calcutta. This course was approved by the President of the Congress.

#### THE TOUR

6. The itinerary of our tour is appended. It will be noticed that in view of the original date fixed for the meeting of the All-India Committee (August 15th) we had to compress our programme within very narrow time limits. We were compelled to omit Sindh, Ajmere-Merwara and Central India and Bihar entirely from our programme and could only visit the principal towns in the other Provinces except the U. P. where the importance of Cawnpore and Allahabad claimed a short stay at each. It was arranged to examine witnesses from the Provinces originally omitted at such centres on the programme as were convenient to the Provinces concerned. The Ajmere-Merwara and Central India witnesses were accordingly examined at Ahmedabad. The Sind witnesses were also to be examined at Ahmedabad but they could not attend. All this time it was felt, that the date of the next meeting of the All-India Committee having been fixed by that committee itself by formal resolution passed at Lucknow, it was not competent to the Enquiry Committee to alter it; but some time after the tour had begun letters were received from certain members suggesting a postponement of the meeting of the All-India Committee on the ground that the great Hindu festival of *Janmashtami* fell on the 16th August: and from certain other members asking for more time to consider our report than would be available to them if the original date was adhered to. In view of these suggestions a circular letter was issued by the Working General Secretary to all the members; and the replies received from most provinces favoured a postponement. Hakim Ajmal Khan, as the Acting President of the Congress, accordingly fixed the 15th September for the next meeting of the All-India Committee and this enabled us to visit Patna, and relieve the witnesses from Bihar from undertaking the journey to Calcutta. Time has now been further extended by Mr. C. R. Das, the President, under circumstances already notified to the members.

#### PROPAGANDA

7. We have already stated the procedure followed in the examination of witnesses at the places visited by us. It is necessary to add that the recording of evidence was not the only work done. We took occasion to visit several Khaddar manufacturing centres in Southern India and Assam. Our visit to Tezpur (Assam) was

especially instructive. We were gratified to find that the ancient cottage industry of the Assam silk cloth manufacture which was on the decline had received an impetus by the Congress propaganda. In the course of our tour we have also freely availed of the opportunities which came us to address public meetings. These were as a rule attended by large audiences varying from five to thirty thousand or more. We were accorded the warmest of welcomes whenever we went by immense crowds of men and women of all classes and were honoured by the Municipalities of Jubbulpore, Poona, Bijapur, Erode, Guntur and Bezwada, and numerous influential public bodies who presented addresses to us. The enthusiasm which prevailed everywhere stood out in marked contrast to the despondence of some of the witnesses who appeared before us. We shall deal with the different phases of public feeling which presented themselves to us, and the causes to which they have been attributed, in their proper place, but it may be generally stated here that we have met no man or woman, in any part of this vast country, who has not the success of our movement at heart. We are convinced that no amount of repression or oppression can affect the deep-rooted desire of the people for immediate Swaraj.

#### GRAVITY OF THE TASK

8. It has fallen to us to examine the magnificent works of the greatest man of the age now resting behind the walls of the Yeravada prison. The gravity of our task, apparent as it was at the outset, impressed us more and more strongly as we proceeded with the enquiry. At every step we realized the invaluable guidance afforded by the general plan so carefully worked out by the masterful genius who till recently directed the campaign in person. We were naturally reluctant to put it lightly away in his absence from the field of operations. Great, however, as is our respect and admiration for Mahatma Gandhi, we have not allowed it to come in the way of our clear duty. We have approached his work with reverence but have examined it with care. We have endeavoured to face existing conditions with an open mind controlled only by our unshakeable faith in the high purpose of the great movement. We have wholly discountenanced open revolt against the general scheme of non-violent Non-Co-operation at one end and utter subservience to the minutest detail at the other.

#### THE ADVENT OF NON-CO-OPERATION.

##### THE CRISIS OF 1919

9. The year 1919 was remarkable for the happening of events destined to leave a lasting impression on the history of India. It began with the appearance of what Mahatma Gandhi called at the

time "an unmistakable symptom of a deep-rooted disease in the governing body" popularly known as the Rowlatt Bill. It is common knowledge how this obnoxious measure was passed into law in the teeth of unanimous Indian opposition in and out of the Council. The same year witnessed the passing of a Reform Act, or, as the country as a whole rightly apprehended it to be, an apology or an eye-wash for real reform. In that year, also occurred the infamous but never forgettable Punjab atrocities. In unwilling response to a strong and insistent demand for a Royal Commission, only a Committee of Enquiry presided over by Lord Hunter was appointed and that by the Government of India whose conduct itself was in issue. While the Government was still marking time, a Committee of Enquiry with Mahatma Gandhi and other eminent lawyers was appointed to enquire into the matter under the auspices of the Congress. The Congress refused to lead evidence before the Hunter Committee as the Government of Punjab refused to allow the leaders in prison to appear in person and tender evidence before the Committee. A step in Non-co-operation was thus taken.

#### THE AMRITSAR CONGRESS

10. Whilst both the official and Congress enquiries were proceeding, the Amritsar Congress met. Two or three days previous to the assembling of the Congress, on the 24th of December 1919, a Royal Proclamation was issued giving His Majesty's assent to the Reform Act and granting a general amnesty to those concerned in the Punjab "rebellion" who were not guilty of actual violence. As a result thereof the Ali Brothers and the Punjab leaders who had been condemned to various terms of punishment were released and their unexpected entry into the Congress *Pandal* evoked the greatest enthusiasm. The disclosures of official barbarities made in the evidence given before the Hunter Committee had sent a thrill of horror throughout the country. The Congress felt itself insulted at this poor half-hearted measure, but in response to the earnest appeal of Mahatma Gandhi and the Moderate leaders, resolved for the time being that while the reforms were "inadequate, unsatisfactory, and disappointing" the Congress would work them for what they were worth.

#### SPECIAL CONGRESS SESSIONS CALLED

11. Two months after the Congress concluded its sessions, the report of the Congress (Punjab) Enquiry Committee was published (March 1920). The details disclosed in the report were received with indignant horror in the country and the Government's delay in publishing the Hunter Report roused widespread suspicion. This was confirmed when on 3rd May 1920 the majority and mino-

city Reports of the Hunter Committee and the unsatisfactory despatches of the Government of India and the Secretary of State thereon were published after the Government had shut out the ordinary legal remedies to the subject by passing an Indemnity Act. The All-India Congress Committee, after this, lost no time in meeting to consider the question and decided on summoning a special session of the Congress at Calcutta.

### TOWARDS NON-CO-OPERATION

12. It has been regarded in India from time immemorial as the highest duty of the people to refuse to assist a Government that will not listen to their grievances. The inherent right of the subject to compel redress has in India been generally asserted by voluntarily and peacefully undergoing suffering to the utmost when feeling is genuine and deeply stirred. It is this ancient practice which in the troublous times of the Partition of Bengal suggested the idea of withdrawing co-operation from the Government in certain directions. Presiding at the Benares Session of the Congress in 1905 the late Mr. Gokhale, referring to the influential opinion which had ranged itself against the Partition, uttered the following prophetic words :—

"If the opinions of even such men are to be brushed aside with contempt, if all Indians are to be treated as no better than dumb, driven cattle ; if men whom any other country would delight to honour are to be thus made to realize the utter humiliation and helplessness of their position in their own country, then all I can say is : "Good-bye to all hope of co-operating in any way with the bureaucracy in the interests of the people. I can conceive of no greater indictment of British rule than that such a state of things should be possible after a hundred years of that rule."

Two years later the late Lokamanya Tilak expounded the principle of non-co-operation in a remarkable speech and was followed up by Mr. Gokhale in 1909 who, in moving the resolution regarding Indians in South Africa, at the Lahore Congress, thus explained the doctrine of "passive resistance" which is merely one form of Non-Co-operation :—

"What is the passive resistance struggle ? It is essentially defensive in its nature and fights with moral and spiritual weapons. A passive resister resists tyranny by undergoing suffering in his own person. He pits soul-force against brute-force ; he pits the divine in man against the brute in man ; he pits suffering against oppression, pits conscience against might ; he pits faith against injustice ; right against wrong."

Let those who invoke the blessed memories of Gokhale and

Tilak, in and out of season, to run down non-co-operators ponder over these noble sentiments. While the clear political insight of both these devoted patriots clearly saw the shadows cast by coming events, it was left to Mahatma Gandhi to expound a practical policy and programme of Non-Co-operation and to lead the struggle against a Government which had forfeited the confidence of the people. Time was now ripe. The denial of justice in the matter of the Punjab atrocities and of the Khilafat had deeply stirred the country to the innermost depths of its soul. The seed thrown by Mahatma Gandhi fell on prolific soil and immediately took root.

### FIRST KHILAFAT RESOLUTION

13. The All-India Khilafat Conference held at Delhi in November 1919 resolved to withdraw co-operation from Government, under the advice of Mahatma Gandhi, if the Khilafat question was not satisfactorily settled. The resolution was in general terms and stated that in the event of the Khilafat question not being satisfactorily solved, "the Mussalmans of India shall progressively withhold all co-operation from the British Government." This decision was re-affirmed by the Calcutta meeting of the Muslim League and by other Conferences in the country. The Madras Khilafat conference held on the 17th April, 1920, further defined the nature of the progressive scheme of non-co-operation to be (1) renunciation of honorary posts, titles and membership of Councils ; (2) giving up of posts under Government ; (3) giving up of appointments in the police and military forces ; (4) refusal to pay taxes.

### LEADERS' CONFERENCE AT ALLAHABAD

14. Although at this stage the movement of non-co-operation was concerned mainly with the Khilafat question, Mahatma Gandhi resolved to refer the question to a Conference of leaders of all parties which met at Allahabad on the 2nd of June, 1920. At this Conference the policy of non-co-operation was decided upon and a Committee was appointed consisting of Mahatma Gandhi and some of the Muslim leaders to draw up the programme. The committee published the programme in July and it was in this programme that the boycott of schools and colleges and of law courts first figured.

### THE CALCUTTA CONGRESS

15. In the meantime the political situation had become worse. The attitude of the Government had become clearer in regard to the Punjab, the Khilafat and the Reforms, and the Punjab debate in both Houses of Parliament had destroyed the last vestige of faith in the Government. It was generally agreed that the time had come



for vigorous action. The Special Congress, which met at Calcutta in September 1920, was called upon to consider the programme as well as the policy of Non-Co-operation. In the Subjects Committee all Muhammadan members, except Mr. Jinnah, voted with the Mahatma, while many prominent non-Muslim Nationalists supported Mr. Das, who led the opposition to Mahatmaji. It is noteworthy that in the Subjects Committee and to a lesser extent in the open Congress, Mahatmaji was met with no inconsiderable opposition on the question of this triple boycott. But the extreme disappointment in the country in the matter of the redress of the Punjab and Khilafat wrongs and the illusory nature of the Reforms, coupled with the towering personality of Mahatmaji enabled him to carry his programme through the Congress. The next three months were almost exclusively devoted to an intense propaganda to popularise the triple boycott.

### THE NAGPUR CONGRESS

16. The Nagpur Congress met in December 1920, under very favourable conditions. The Council elections had been held and all Nationalists including those who dissented on the boycott of Councils had stood aloof in obedience to the Calcutta resolution. The question had now passed out of the domain of practical politics for the next three years and all Congressmen were united in opposing the unbending policy of the Government. Boycott of schools and courts still found sturdy opposition in certain influential quarters but the great bulk of the 14,000 and odd delegates were firm in their resolve to adhere to the Calcutta resolution which was re-affirmed, revised and re-cast in a form acceptable to all parties in the Congress.

### BOYCOTT OF H. R. H. THE DUKE'S VISIT

Another important resolution passed at Nagpur advised the people of India, in pursuance of the policy of Non-Co-operation, to refrain from taking any part in the functions or festivities in honour of H. R. H. the Duke of Connaught during his visit to India. H. R. H. arrived in India in January 1921, soon after the Nagpur Congress. The boycott of the Royal Visit was a striking success and proved the determination of India, manifested by the complete and spontaneous *hartals* in each of the towns where the Duke made his entry, to free herself from her present position of bondage and humiliation amongst the nations of the world. While the Duke received the official welcome in Calcutta and Delhi through deserted streets, Mahatma Gandhi's meetings attracted thousands in other parts of the same towns to listen to the gospel of liberty.

### THE NEW CONSTITUTION

The Nagpur Congress also adopted a new constitution in place of the old. The leading features of this were a change in the terms of the Congress creed, distribution of the Provinces on a linguistic basis, re-organisation of the Congress and its subordinate committees, regulation of the elections and number of delegates, and the appointment of a Working Committee. This new constitution with the position assigned to the Working Committee of the All-India Congress Committee thereunder has, it has been objected, favoured centralisation of authority. As the chief continuously functioning executive body of the Congress, inspired and guided by Mahatmaji, it has undoubtedly assumed considerable importance and taken a large share in directing Congress policy; but this was inevitable in the very nature of things.

### MEN, MONEY AND MUNITIONS

17. By the month of March, attention began to concentrate more on the constructive side of the movement. The All-India Congress Committee met at Bezwada on March 31st and passed resolutions calling upon the country to concentrate attention on (1) collecting a crore of rupees, (2) enlisting a crore of members and (3) introducing 20 lakhs of charkas into Indian households by the 30th of June 1921. The country took up the work in right earnest and the crore was over-subscribed in time though complete success was not achieved in the other two items which could not receive sufficient attention.

### CONSTRUCTIVE SIDE OF CONGRESS

18. The succeeding months of 1921 were remarkable for the great insistence placed on the constructive side of Congress activities and at the meeting of the All-India Congress Committee held at Bombay attention was specially concentrated upon "attaining the complete boycott of foreign cloth by the 30th September next and manufacture of Khaddar by stimulating hand-spinning and hand-weaving." Detailed instructions were issued to subordinate Congress organisations and all Congressmen for the successful achievement of that object. Resolutions were also passed boycotting the forthcoming visit of H. R. H. the Prince of Wales, approving the picketting of liquor shops, which had already begun, deploring the mob excesses at Aligarh and Malegaon, and authorising the Working Committee to frame a statement of the Foreign Policy of the Congress to be laid before the next meeting of the All-India Committee for consideration. The most important decision of that meeting directly relevant to the present enquiry was contained in the last paragraph of Resolution No. 4 which ran as follows :—

"The All-India Congress Committee has taken note of the reasonable desire of workers in the United Provinces and other parts to take up civil disobedience in answer to the repressive measures of Local Governments and has also taken note of the fact that the administration in the North-West Frontier Province has even prohibited the entry into that Province of the members of the Frontier Enquiry Committee appointed by the Central Khilafat Committee to enquire into the outrages alleged to have been committed by the local officials in Banna ; but with a view to ensure greater stability of non-violent atmosphere throughout India and in order to test the measure of influence attained by the Congress over the people and further in order to retain on the part of the nation an atmosphere free from ferment necessary for the proper and swift prosecution of Swadeshi, the All-India Congress Committee is of opinion that civil disobedience should be postponed till after the completion of the programme referred to in the resolution on Swadeshi, after which the Committee will not hesitate, if necessary, to recommend a course of civil disobedience even though it might have to be adopted by a Special Session of the Congress ; provided, however, that it is open to any province or place to adopt civil disobedience subject to the previous approval of the Working Committee obtained within the constitution through the Provincial Congress Committee concerned."

#### INHERENT RIGHT OF OPINION

19. The All-India Congress Committee next met at Delhi on the 4th and 5th November after the arrest and imprisonment of the Ali Brothers which violently disturbed the even tenor of Swadeshi and temperance work enthusiastically taken up by the people in response to the resolution passed at the preceding meeting. The Committee gave its answer by authorizing "every Province on its own responsibility to undertake civil disobedience including non-payment of taxes in the manner that may be considered the most suitable by the respective Provincial Congress Committees" subject to certain conditions ; and further emphasised its settled conviction that the Ali Brothers were guilty of no offence in calling upon Government employees to resign their posts by declaring that "it is the inherent right of a citizen to pronounce his opinion upon the advisability or otherwise of Government servants leaving civil or military service, and that it is the inherent right of every citizen to appeal in an open manner to the soldier or the civilian to sever his connection with a Government which had forfeited the confidence and support of the vast majority of the population of India." It also approved the resolution of the Working Committee on Foreign Policy

The last meeting of the year was held on the 24th December which elected Hakim Ajmal Khan to act as the President of the ensuing Congress in place of Syt. C. R. Das, the President-elect then an under-trial prisoner.

### CENTRALISATION OF VOLUNTEER BOARDS

20. We have not specially noticed the resolutions of the Working Committee as almost in every important matter they were subsequently adopted by the All-India Congress Committee. Those having a special importance of their own are reproduced. (not printed) The meeting of the Working Committee held in Bombay on the 22nd and 23rd November was of special interest. The Criminal Law Amendment Act had been applied to the volunteer organisations in Bengal, the U. P. and the Punjab only a few days before, and Resolution No. 5 passed by the meeting bringing all existing volunteer bodies under one central control was an acceptance of the challenge thrown out by the Government. Repression thereafter ran amock.

In tracing the history of non-co-operation from its inception to the Ahmedabad Congress we have touched but lightly on the attitude of the Government and the general policy of repression inaugurated by it, as the subject, though an integral part of that history is important enough to deserve special and separate treatment. We shall deal with it in the next chapter.

## CHAPTER II

### THE ORGY OF REPRESSION

#### EMBARRASSMENT OF GOVERNMENT

21. It will be seen from the events recorded in the preceding chapter how the mighty wave of non-co-operation once started rapidly spread throughout the country, gaining strength and volume as it rolled on from province to province. The Government were embarrassed at the startling success of the movement from the very beginning. They apprehended that at such a stage repression might strengthen the movement rather than check it. They, therefore, began with some pin-pricks such as depriving pensioners of pensions and landholding non-co operators of irrigation water. Isolated prosecutions were also resorted to, but, on the whole, it seemed as if they had realised that to oppose the movement with force at that stage would be suicidal.

## REPORT OF THE "RALLY THE MODERATES"

[ALLAHABAD]

23. Lord Chelmsford had to be content with pouring uneasy ridicule on the movement. It was this attitude which underlay the Government of India Resolution of November 6, 1920, which with amazing self-complacency left the "most foolish of all foolish schemes" to die of inanition. Repression not being thought advisable at that stage, strenuous efforts were made to rally the moderates. Lurid pictures were drawn of an India which would be plunged in anarchy and red ruin if the strong arm of the English were withdrawn. It was declared that Non-Co-operators were leading the country to Bolshevism and Anglo-Indian newspapers published sensational articles on an India being driven to the verge of a precipice. The Afghan bogey was raised to divide the Hindus from the Mussalmans. Everish appeals were made to the Councillors to stand by the Government in the hour of its sorest trial. "I appeal to you, members of this Council," harangued Sir Harcourt Butler, "to assist your Government not only in this Council but actively in your constituencies." His Excellency knew that his Council was no better than a break Chorus, and that its own support was of no consequence. Hence the appeal to the Councillors to venture out of the safety of seclusion and face the music outside. But the Councillors knew the nature of the reception in store for them, if they attempted to approach the electors, whose confidence they were supposed to enjoy, and wisely chose discretion as the better part of valour. This was soon apparent to Sir Harcourt Butler who now appealed to Commissioners of Divisions, to help in rousing the moderates generally by a remarkable circular letter some choice passages from which are given below :—

"Non-Co-operation shifts its ground repeatedly according as it meets with success or failure while counter-moves of a restricted kind are labouring to overtake the schemes which they have been powerless to anticipate."

"The moderate element in the country may be organised and led with the express object of defeating the Non-Co-operation movement."

"If Government officers declare themselves openly against Non-Co-operation it may be possible to give the moderate opinion the coherence and initiative which it lacks."

Similar exhortations were made by other Provincial Governors.

### GOVT. OF INDIA ADVISES PROVINCIAL GOVTS.

23. By January 1921, it had become quite clear that Moderate opinion, useful as it was to hoodwink the British public, was of no avail to choke the popular movement. The result of the

Nagpur Congress disappointed the Government, which had expected a division in the Congress camp among the Nationalists themselves. A new policy was therefore outlined in their letter to the Local Governments which was referred to by Sir William Vincent in his speech in the Assembly on March 23rd. "For the present, therefore," that letter stated, "the Government of India would prefer to rely on measures such as ;

(1) keeping the closest possible watch on attempts by the non-co-operators to spread disaffection among the rural masses and the labouring classes in the big towns or industrial centres ;

(2) the initiation and early enactment of remedial legislation wherever, as in the matter of tenancy law in some provinces, such legislation is required ;

(3) counter-propaganda, as for example by giving the widest possible publicity to the intention of the Government to introduce remedial measures ;

(4) the vigorous prosecution under the ordinary law of all persons who are guilty of making seditious speeches and of inciting to violence and against whom evidence is available.

The Government of India have already urged this measure to which they attach the utmost importance on Local Governments, and they must again express their regret that so far such prosecutions have been instituted only in a small number of cases. The Government of India have refrained, for reasons that have been fully explained to Local Governments, from prosecuting the leaders on the general charge of advocating non co-operation. But they must again impress on Local Governments that this fact constitutes no reason for refraining from prosecuting others.

(5) the enforcement in general of respect for law. Cases have come to the notice of the Government of India in which large crowds have been allowed to indulge with impunity in demonstrations of an obviously unlawful character. Incidents of this kind cannot but tend to weaken the respect for law and order amongst the masses of the people."

#### ORGY OF REPRESSION

24. It is no wonder that after this admonition the Local Governments all at once indulged in an orgy of repression. They expounded these instructions to their own district officials in circulars which duly dotted the i's and crossed the t's in the Government of India circular. The notorious Rainey circular in Bihar may be cited as an instance. The activities of Non-Co-operators were sought to be suppressed at every turn not only by the proclamation of the Seditious Meetings Act and the Criminal

Law Amendment Act, but by a free lawless and tyrannical use of section 144 and the security sections of the Criminal Procedure Code.

#### GOVT. SERVANTS FORM AMAN SABHAS

25. The district officials were, by a modification of the Government Servants Conduct Rules, authorised to take part in political movements and thus enabled to use undue influence to promote what in the United Provinces are called Aman Sabhas—organisations, membership to which offered the temptation of immunity from official high-handedness. For a time some of the prominent Moderates took a leading part in the activities of these Sabhas but prominent Liberals who joined them had subsequently to resign their membership when they realised the true nature of these organizations. The ridiculous attempt to coerce the people into loving the Government was made, and proved a dismal failure. We draw special attention to the methods employed by the Sabhas detailed in the U. P. Provincial Report extracts from which are given in Appendix VIII. (not printed) The instructions of the Government were blindly followed by the magistracy who surrendered their judgment to the exigencies of the administration—witness the debate in the Bihar Council on the order under section 144 on Babu Rajendra Prasad on the ground, not that the Magistrate was satisfied that there was a likelihood of a disturbance of public tranquility but, that he acted in pursuance of the Government circular. In another case under section 107, a police Sub-Inspector in the course of his evidence confessed that he sent a report against a Non-Co-operator on information received from a superior officer and the witness had to be given up as hostile.

#### BRITISHERS AND ANGLO-INDIANS CALL FOR "FIRMNESS"

26. There is reason to believe that repression in its severe form was started as much in response to the call for it from England as to the apprehensions of the Government of India. The call for "firmness" intensified from day to day and the Emergency Committee of the Indo-British Association commenced an unscrupulous and violent propaganda against the movement. The Moderate element amongst the Britishers in India felt that the agitation in England would have mischievous consequences on the political situation in this country. But a telegram of caution to Lord Amptill, the president of the Emergency Committee, from Sir Frank Carter, only elicited the insulting reply "Mind your own business." The storm brewing in London at last burst over the heads of the Ali Brothers who were arrested in September and tried by the Court of Sessions at Karachi on a number of charges the more serious of which, viz, those under sections 120-B and 131 broke down completely but convictions and heavy sentences were recorded

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on the minor charges under sections 505, 109 and 117. This result of the trial, however, did not prevent Sir W. Vincent from influencing the Legislative Assembly by mentioning a certain letter written by a third party, openly denounced by the Ali Brothers as forgery, and never produced at the trial, though in possession of the Government all the time, as evidence of the Brothers' complicity in serious offences against the State. That such a statement was allowed to pass unchallenged in an assembly having among its members some lawyers of repute, furnishes another illustration of the utter irresponsibility of the councillors.

#### THE BROTHERS' OFFENCE REPEATED BY THOUSANDS

27. The Ali Brothers were convicted and sentenced on 1st November. The Congress took their conviction as an affront to freedom of opinion and repeated the Brothers' offence in the resolutions passed by its committees and from a thousand platforms. Many thousands took part in this re-affirmation. The Government was completely non-plussed and not a single prosecution was undertaken but a desperate attempt was made by a more rigorous use of the Seditious Meetings Act and the Criminal Law Amendment Act to suppress the Khilafat and the Congress Volunteer Corps.

#### H. R. H. THE PRINCE OF WALES

28. H. R. H. the Prince of Wales arrived in India on 17th November. On that day happened what Sir W. Vincent has described as a "despicable thing"—the memorable All India *Hartal* which in truth was a remarkable manifestation of the determined will of the nation to condemn the exploitation of the Royal Family for political ends. It was made quite clear from the very beginning that no insult was meant to H. R. H. No reasonable doubt could possibly be entertained on that point after the very full statement made by the All India Committee and the article of Mahatmaji under the heading "Honour the Prince" in the *Young India* of October 27th. 1921. But the bureaucracy would not be turned from the course it had decided upon. The good old rule of the British constitution, that the King was above party politics, was trotted out, in and out of season, by persons who were expected to know better. Every child in the country knew that the visit of H. R. H. was originally intended to give a start to the working of the new Reforms which the country had refused to accept; and that H. R. H. having been prevented by ill health from accomplishing that object, his revered grand-uncle was brought out of his retirement to do so. After this it was but natural to apprehend that the Prince would be called upon in the course of his visit to give his Royal blessing to these very highly controversial reforms,



an apprehension which subsequent events fully justified. There was, above all, the greater political effect which the bureaucracy was calculating to produce by bringing together all India to welcome the Heir to the Throne at a time when the whole country was seething with discontent. Despite these patent facts assurance after assurance was given that the visit of H. R. H. was entirely unconnected with politics.

#### LEADING MODERATE OPPOSED THE PRINCES VISIT

The country as a whole was opposed to the visit, even Moderates not being in favour of it. Addressing the Liberal Conference at Bombay Mr. Sastri said :—

"Moreover, there was one thing above all which drew the harsh character of this dual Government out and exhibited it in a most glaring form. That was the visit of the Prince of Wales. He did not think there was any one there who desired it most enthusiastically. He certainly did not. He counselled against the visit as long as he could, but the visit came and what happened when the boycott of that visit was proclaimed by the Non-Co-operators? The result was that Government in order to make it a success against this opposition had to use all the arms in their control. They used all the repressive laws they could think of. The result was that even the Liberal public and the Moderate party stood out of that co-operation with Govt. in all that went to maintain law and order for which they had previously pledged their word. This had drawn into prominent relief the odious feature of dyarchy. He mentioned this to show that through the action of Govt. itself the bad nature of dyarchy had been brought out to the knowledge of everybody."

#### WANTED QUIET ATMOSPHERE FOR H. R. H.

29. Many and various were the forms of repression employed to secure a quiet atmosphere during the visit of H. R. H. It is impossible to describe them fully without exceeding the limits of a report of this nature. It was most lawless and cruel in the Punjab, U. P., Bengal, and Assam. We give in appendix VIII, (not printed) extracts from the reports supplied to us by the Congress Committees of these Provinces which will show the nature of the atrocities committed in the name of law and order. Speaking generally, many districts in these provinces have from time to time been practically denuded of the more active of their Congress and Khilafat workers by wholesale and indiscriminate arrests and prosecutions under the Criminal Law Amendment Act, and sections 107, 108 of the Code of Criminal Procedure and section 124-A and 153-A of the Indian Penal Code. The United Provinces had the unique distinction of having 55 members of their Provincial Committee taken in one sweep by the

Police while engaged in discussing a resolution on volunteering at an emergent meeting held in Allahabad. The draft resolution was sized, one by one, every member was asked if he approved of it and on his replying in the affirmative was secured in the police van waiting downstairs on the road. Those who did not move quickly enough had some gentle pressure applied to them from behind and the progress of one at least was accelerated by a mild assault. The 55 were tried under the Criminal Law Amendment Act before a competent court for the offence of drafting and discussing a proposal for the enlistment of volunteers and each was sentenced to 18 months' imprisonment which was either simple or rigorous according as each individual impressed the Magistrate with his special aptitude for the particular variety of punishment. There was of course no defence and no appeal, but a special judge subsequently appointed by the Local Government to examine a certain class of political case appears to have advised that these 55 had committed no offence. Attempt after attempt made by the Local Councillors to have this report laid on the table failed and although the Government had finally to admit that the convictions under the charges framed were illegal, it was not so ill-advised as to allow the 55 picked public men of the Province to slip through its hands. And so it came about that these men remained in gaol, some being treated as first class misdemeanants and others as ordinary criminals. The reason given by the Local Government for keeping them in vile duress was that these men had not appealed and that if they had, it would have been open to the appellate court to alter the convictions under some section of the criminal law more applicable to their case. One of them, a strong young man, the bread-winner of his family, has since succumbed to an attack of fever in the Lucknow Jail, the circumstances of which were discussed in the press and an open enquiry demanded but was not allowed. The survivors have now served a little more than half the sentences inflicted, but have so far failed to attract the notice of the Central Government presided over by the Ex. Lord Chief Justice of England.

It may be convenient here to refer briefly to some other notable trials, to show how British justice vindicates itself in India.

#### DESHBANDHU C. R. DAS' PROTRACTED TRIAL

30. Deshbandhu Chittranjan Das the President-elect of the Congress was arrested on the 23rd December 1921 under the Criminal Law Amendment Act, on the eve of his departure for Ahmedabad for issuing a public appeal calling upon the people to enlist as volunteers. The trial was adjourned from time to time for various reasons till the 12th February 1922. The

accused having declined to plead or make a statement, it became necessary to prove his signatures on the papers purporting to be the original manuscripts sent to the press. Besides some other evidence, the Government expert swore on a comparison of that signature with admitted signatures that the former were in the hand-writing of the person who made the latter. Deshbandhu was convicted and sentenced to 6 months' imprisonment after being detained for about two months as an undertrial prisoner. After his conviction, in a message to his countrymen, he made it quite clear that the signatures found to be his were really written by other persons named by him. Sometime after the Indian member of the Bengal Executive Council, an ex-chief Justice of Madras, intimated that the case of Mr. Das was being considered by the Government, but such was the patient care bestowed by the Government that Mr. Das was released after serving the full sentence before the consideration of his case was completed. The great Hindu leader of Bengal having been secured in prison a Mohamedan leader of eminence was next wanted to complete the triumph of repression. The choice fell upon Maulana Abul Kalam Azad, a respected Mohammadan divine, Vice-President of the Central Khilafat Committee, and an earnest member of the Congress who was next arrested, convicted under section 124-A of the Penal Code (Sedition) and awarded a sentence of imprisonment which he has nearly served out.

#### LALA LAJPAT RAI CONVICTED, RELEASED AND RE-CONVICTED

31. Lala Lajpat Rai, Ex-President of the Congress, was tried under the Seditious Meetings Act for presiding at a meeting of the Provincial Congress Committee. Some correspondence had previously passed between the Magistrate and the Lalaji about the nature of the meeting and the fact that it was merely a committee meeting, not open to the public, was well-known to the Magistrate. Lalaji was however convicted and sentenced to a term of imprisonment. The Law Officer of the Government, who should have been consulted before the prosecution was launched, gave his opinion after the conviction that the Seditious Meetings Act did not apply, upon which Lalaji was released from the prison but was re-arrested the moment he stepped out of the main gate for another offence and in due course convicted and sentenced to a term of 2 years' imprisonment which he is now undergoing. Babu Bhagwandas, a highly respected citizen of Benares and president of the U. P. Provincial Committee, was arrested under the Criminal Amendment Act for issuing and distributing an appeal to the shop-keepers to observe *hartal* on the day of the arrival of H. R. H. the Prince of Wales and sentenced to a term of imprisonment. The conviction was so utterly

showed that an agitation in the press in which Dr. Subramaniya Iyer, Ex-Chief Justice of the Madras High Court, took part compelled the Government to cancel the unexpired portion of the sentence.

**PT. JAWAHIRLAL NEHRU INTENDS TO PICKET AND GETS  
18 MONTHS**

32. Pandit Jawahirlal Nehru was convicted under sections 385 and 505, Indian Penal Code, for having declared his intention to picket foreign shops in a public speech and for asking the audience to help him. Another charge under which also he was convicted was abetment of extortion based on the fact that he presided at a committee meeting at which letters were agreed to be sent to certain cloth merchants calling upon them to pay the fines imposed by the cloth merchants' own association under their own rules. He was sentenced to 18 months' rigorous imprisonment, and is now serving his sentence.

**PREMIUM ON FALSE EVIDENCE**

33. These are well-known cases which have attracted public attention on account of the importance of the gentlemen concerned. There are other cases, and their number is legion, in which Non-co-operators have been falsely charged and their convictions secured on the flimsiest evidence. This has no doubt been considerably facilitated by the attitude of indifference adopted by Non-co-operators at their trials. The knowledge that they neither defend themselves nor cross-examine witnesses has put a premium on false evidence. The best illustration of this was afforded at the trial of one of the members of this Enquiry Committee (Pandit Motilal Nehru). To prove his signature in Hindi, probably the first he had made in his life, the prosecution called a man in rags, to all appearances a beggar in the street, whom the accused had never seen before. He swore that the signature was of the accused while holding the paper in his hand upside down for half a second. This was the only proof of the signature on a volunteering form and on this evidence the Ex-President and the General Secretary of the Congress was convicted under the Criminal Law Amendment Act, and sentenced to six months' imprisonment which he has fully served out.

**PROVINCIAL BUDGETS OF REPRESSION**

34. The illegalities committed in the course of the trials of Non-co-operators are, however, nothing compared to the appalling lawlessness which prevailed outside the courts. It may be broadly stated that causing injury to the person, property or reputation of a Non-co-operator not only ceased to be an offence but came to be

regarded as an act of loyalty to the Government of a specially meritorious character. We have indicated above the general trend of repression in the country and have given a few important extracts from the reports of the Punjab, U. P., Bengal, and Assam Congress Committees in Appendix, (not printed) showing specific instances of a grosser kind for which the local administration have earned a wide notoriety. Bombay, Gujrat, Ajmere-Merwara and Central India stand at the other end and may be congratulated on having so far escaped any trouble worth the name. Central Provinces, (Hindustani and Marathi), Berar, Maharashtra, Karnatak and Tamil Nadu have had their share of repression chiefly in connection with liquor shop picketting. The security sections were freely used in Tamil Nadu and Andhra Dakh. Bihar has witnessed considerable display of terrorism in the districts of Muzaffarpur and the Santal Parganas but has on the whole been quiet. Kerala, comprising the Moplah country, stands by itself for the inhuman barbarities committed by a fanatical population on the one hand, and the infuriated forces of law and order on the other; while the notorious Malabar train tragedy easily beats the worst popular excesses committed in any part of India for the callous disregard of human life it has revealed. Utkal and Andhra have come in for a fair share of severe repression and stand next only to the northern Provinces.

#### ITS HORRID VARIETIES

35. Taking the country as a whole a general summary of the various kinds of anti-non-co-operation activities may be given in a few short sentences. Gandhi caps and Khaddar dress were anathema to the officials generally throughout India, and marked out the wearer for all kinds of insults and humiliations as also for false prosecution. Assaults on volunteers, stripping them of their clothing and ducking them in village tanks in winter months were some of the innocent practical jokes designed by the police for their own amusement. Confiscation of licences for arms, forfeiture of *jagirs*, *watan* and *inams*, withholding of water supply for irrigation and refusing *Takavi* advances were some of the milder punishments for those who were not charged with specific offences. Destruction of Congress and Khilafat offices and records and of national educational institutions, burning of houses and crops and looting of property were resorted to in the case of the more obstinate recalcitrants. Several cases of forcible removal of jewellery from the persons of women and of indecent assaults and outrages committed on them as well as the burning and trampling under foot of religious books and other sacred objects have also been brought to our notice. The estate of an extra-loyal Zemindar in Utkal has gained a wide

notoriety in that Province for cases of shooting, assaults on women and a novel method of humiliating and insulting high caste people by sprinkling liquor on them and compelling them to carry night-soil on their shoulders.

### WONDERFUL SPIRIT OF NON-VIOLENCE

36. All this the people have borne with admirable patience and self-restraint. The spirit of non-violence has permeated the masses generally beyond all expectation. We can safely assert that there is no country in the world where the people, as a whole, would have stood the horrors, described above, with the almost super-human self-control shown by the general population of India. It is all very well to shut one's eyes to the due proportion of things and point to sporadic cases of outbursts of violence here and there in a vast country like this, and seek to establish a connection between them and non-co-operation by specious reasoning. We leave it to the unbiassed historian of the future to say whether the responsibility for a few sad occurrences is to be thrown on the non-co-operator or whether he is to be given the sole credit for the general quiet which has prevailed under maddening provocation. It may be difficult for the European mind to grasp that the law of suffering is to the Indian the law of his being. If this is not so, why is it that no serious violence except that on the part of the Government has occurred in a large number of places where repression has taken the severest and most unbearable form? Is the Indian the despicable coward or the weakling who has not the courage or the strength to hit back? The answer, clear and conclusive, is given by the outstanding feature of the situation that it is the martial races of Northern India both in the Punjab and the United Provinces who, while smarting under brutal treatment, have maintained the most wonderful self-restraint. The brave Akalis of the Punjab are, at the moment of writing these lines giving an object-lesson to the world in combining invincible courage with cool self-possession, which will add an inspiring chapter to the history of their race, already rich in heroic deeds and brilliant achievements. We refrain from going into the details of the great struggle which is proceeding under the eyes of an admiring world, as we do not wish to anticipate the findings of the Guru-ka-Bagh Enquiry Committee, appointed by the Working Committee, now sitting at Amritsar. For the purpose of this report it is enough to refer to the two statements issued to the press by Mr. C. F. Andrews who has seen the brutalities committed on the unresisting Akalis in the sacred name of law and order with his own eyes, and to leave the reader to apportion bravery and cowardice between the parties according to merit.

## STAGE-MANAGED ROUTES FOR THE ROYAL PROCESSION

We have not attempted a detailed description of the visit of H. R. H. the Prince of Wales, but the facts so far as they bear on this report may briefly be stated here. That splendid thing—the *Hartal*—followed H. R. H. wherever he went. The bureaucracy left no stone unturned to camouflage that real feeling of the country by lining the route taken by H. R. H. with the hirelings of talukadars and zamindars, the tenants holding lands under the Court of Wards, and ignorant villagers deceived into the belief that they were being taken to have the *darshan* of Mahatma Gandhi; by offers of free motor drives to the people to have a view of their *Shahsada*; in the towns by exhorting and pressing college students and school children through their professors and teachers to assemble at appointed places; and generally by utilizing subservient news agencies to publish highly exaggerated and garbled account of the “warm welcome” accorded to H. R. H. by the people of India. But “here in India we know” (as the Viceroy said in another connection the other day) what really happened. The *Hartals* were an unqualified success everywhere in the Indian quarters and bazaars; the villagers who had come to see Mahatmaji relieved their disappointment by shouting “Mahatma Gandhi ki jai” when the Prince passed; the street urchins gladly accepted the offer of free motor drives only to run back home immediately after arrival at the selected spot long before the Prince passed; college students and school children were conspicuous by their absence in most places, and at one point on the route of the Royal procession in a certain large town lighted a bonfire of foreign cloth on the day of H. R. H.’s arrival; the authorities of the Hindu University at Benares who had erected a huge amphitheatre for a brave show of their young hopefuls, were hard put to fill up the tastefully decorated structure at the last moment and met with but poor success; the subservient news agencies could ill conceal the determined abstention of Indians of all classes from the functions arranged and gave up the impossible attempt at Allahabad which rose to the full height of its injured dignity at the wholesale arrests of its worthy citizens made immediately before the Prince’s visit. But it is said that all this was due to coercion and intimidation. The pertinent question asked by a writer in the *London Times*—“who was left in Allahabad to coerce and intimidate, after the numerous arrests of workers which had already been made?”—has not been answered. Can it be that despite the strenuous efforts of the representatives in India of the “most determined” and “hard fibred people in the world” the whole country from end to end throbbed with one impulse as a result of the coercion and intimidation employed by the handful of those

who, in the words of Lord Reading, "did not represent the real view of the Indian people," and most of whom were secured behind prison walls? If so, the sooner the most determined people in the world withdraw their present representatives and entrust their good name to the safe keeping of the handful, the better it would be for the future happiness and progress of both.

#### STILL THE PRINCE CARRIES BACK PLEASANT MEMORIES

38. H. R. H. the Prince of Wales has come and gone carrying with him, it is gratifying to learn, the most pleasant memories of his visit. It has been our unpleasant duty to deal with the sad memories left behind in the trail of the Royal Progress by the action of those who laid its course through troubled seas and tried in vain to lash the waves into submission. We can only repeat the assurance, so often given by the Congress, that India entertains no ill-will or disrespect to H. R. H. or his Royal House.

## CHAPTER III

### THE TRIUMPH OF NON-VIOLENCE

#### AHMEDABAD CONGRESS

39. A consideration of the various activities mentioned in the foregoing chapters will show that the first stage of the Non-co-operation movement had already reached its high water-mark before the Ahmedabad Congress was held. The principal resolution passed at that memorable sessions summarises the whole situation which the Congress had to face, and unequivocally accepts the challenge thrown out by H. E. the Viceroy in his Delhi and Calcutta speeches. For convenience of reference that resolution is reproduced. (not printed). We have already referred to the high spirit in which the workers, assisted by the general public, carried out the directions of the Working Committee embodied in its resolution passed at Bombay on the 23rd November 1921. They had now the authority of the whole Congress behind them and strove to keep up the good fight with redoubled courage and determination during January and part of February, with such effect that the forces of repression were all but overpowered. In Northern India, from the extreme west of the Punjab to the extreme east of Bengal and Assam, the wholesale arrests of all grades of Congress workers, and other repressive measures employed by the Government failed to shake the resolute determination of the people to stand on their natural rights of free speech and association. In Calcutta, Allahabad, Lucknow and other places, too numerous to mention in detail, batches of volunteers



wearing their badges and carrying Swaraj banners marched, one after the other, in an endless stream along the public streets and in front of police stations offering themselves for arrest but were mostly allowed to go scot-free. The lock-ups were full, the gaols were crowded. Repression ceased to keep pace with the great upheaval and dropped its heavy hand through sheer satiety. Early in December H. E. the Viceroy had frankly admitted that he was "puzzled and perplexed". And now the whole machine began to creak and showed signs of an impending breakdown. On the 29th January Bardoli took the momentous decision to launch mass civil disobedience. Mahatma Gandhi described it as "its (Bardoli's) final and irrevocable choice", and sent an ultimatum to the Viceroy. Expectation ran high. The country was all agog to witness the final triumph of soul force over physical might. But the gods had willed it otherwise. The crime of Chauri Chaura was perpetuated on the 5th February 1922 and changed the whole outlook. The Working Committee met at Bardoli on the 11th and 12th February and resolved that "mass civil disobedience contemplated at Bardoli and elsewhere be suspended, and this suspension be continued till the atmosphere is so non-violent as to ensure the non-repetition of popular atrocities such as at Gorakhpur or hooliganism such as at Bombay and Madras". All activities "specially designed to court arrest and imprisonment" and "all volunteer processions, public meetings, merely for the purpose of defiance of the notifications regarding such meetings" were stopped till further instructions and a new programme of constructive work was laid down.

#### BARDOLI-DELHI RESOLUTIONS

40. It is perfectly true, as explained by Mahatma Gandhi at the meeting of the All-India Committee held in Delhi on the 24th and 25th February, that by this resolution it was not intended to go back upon the Nagpur non-co-operation resolution in any way; but there can be no doubt that the principle and policy laid down at Ahmedabad were completely reversed to the great disappointment of an expectant public. The concession made by the All-India Congress Committee to public feeling by empowering Provincial Committees to sanction individual civil disobedience, if all the conditions laid down by the Congress and the All-India Congress Committee and the Working Committee were strictly fulfilled, failed to create sufficient enthusiasm to carry on the constructive programme with the earnestness it deserved.

#### MAHATMAJEE'S ARREST AND CONVICTION

41. Mahatma Gandhi saw this and lost no time in directing his inexhaustible energies to disseminate a correct appreciation of

the situation. But in the strength of the Mahatma lay his weakness in the eyes of the Government. No living man could have possibly checked the surging tide of popular excitement at the point it had reached by simply raising a finger of warning as the Mahatma had done. But this phenomenal hold on the public mind was taken to be a sign of waning influence and the opportunity was seized to arrest India's greatest son. British statesmanship had gone bankrupt and the art of Government had deteriorated into special pleading and blind submission to the outcry raised by the reactionaries in England and the British element in the services in India. The Mahatma was tried, convicted and lodged in gaol. The thrilling incidents of his short trial are fresh in the public mind and the noble sentiments he uttered from the dock have sunk deep into the very soul of the people. The Mahatma went smilingly to prison and the people paid their homage of reverence by observing that exemplary self-restraint and perfect non-violence which were so dear to his heart. We need say no more than what he has himself said in the great statement he made at the trial.

#### ABSENCE OF MAHATMAJI

42. No man other than the Mahatma could lift the wet blanket thrown upon most of the workers by the Bardoli-Delhi resolutions or effectively divert the course of Congress activities into the channels marked out by those resolutions. If he had only been given an opportunity to make one of his lightning tours through the country, we have no doubt that the history of the last six months would have been differently written. We are, however, more concerned with what is than what might have been. It is unprofitable to inquire what would have happened if Mahatma Gandhi had not been arrested and sent to prison, as it is to discuss the soundness or otherwise of the decisions taken at Bardoli and Delhi about which conflicting opinions have been expressed before us. The solid fact which cannot be ignored is that the Bardoli-Delhi resolutions and the subsequent incarceration of Mahatma Gandhi were followed by a general depression throughout the country. Whether that depression justifies the hopes of the moderates and the bureaucracy is a different matter and will presently be gone into.

#### WANT OF ADEQUATE FAITH IN SOME OF THE WORKERS

43. We have carefully investigated the causes of this apparent set-back and have unhesitatingly arrived at the conclusion that it was due almost entirely to a want of adequate faith in the constructive programme on the part of a large number of workers whose business it was to carry it out. In the disappointment of a sudden

check of enthusiasm the great potentialities of that programme were overlooked and it was assumed that there was no urgency about it as it involved steady work extending over years. This apathy of the workers was reflected to a degree in the general public, but the faith of the latter in the Congress and in the teachings of Mahatma Gandhi remained unshaken. Witnesses from all parts of the country speaking from direct local knowledge have testified to the outstanding features of the crisis through which the country is passing. These are : (1) the general awakening of the masses to their political rights and privileges (2) the total loss of faith in the present system of Government (3) the belief that it is only through its own efforts that India can hope to be free (4) the faith in the Congress as the only organisation which can properly direct national effort to gain freedom, and (5) the utter failure of repression to cow down the people. Our own personal observation in the course of our tour round the whole country fully corroborates the evidence on these points. We have found the general population permeated with the indomitable spirit of a great national awakening unprecedented in the history of the human race for its wide sweep and rapid growth. The great bulk of the people showed complete lack of confidence in the Government and were found to be firm believers in non-co-operation and all that it stands for. Repression, where it had done its worst, had no doubt left behind it a trail of sorrow and suffering but failed to crush the spirit of the people.

#### VARIATIONS OF TEMPERATURE

44. There were, it is true, what may be called variations of temperature noticeable from town to town and province to province; according as the cold wave of repression emanating from the Government was more or less continuously applied by its local agents with or without the addition of freezing mixtures of their own invention. But with the exception of an almost invisible margin for Moderates and Vested Interests, both Indian and Foreign, the length and breadth of non-co-operation was found to correspond with the length and breadth of India. And where the mercury stood low it but needed the warmth of the least breath of encouragement to rise to the normal attained by the country as a whole. This in brief is the net result of the progress of Non-Co-operation on the one hand and of the countering forces employed to check it on the other. But strangely enough the evidence of the witnesses recorded by us, fortified as it is by our own observations receives additional support from unexpected quarters.

### THE WHITE PAPER

45. The famous White Paper containing the Government of India's "general appreciation of the situation as regards Non-Co-operation" was published in March last on the eve of Mahatma Gandhi's arrest. In this document, at the end of the laboured justification of the policy of the Government by a thorough misrepresentation of the aims, objects and methods of the movement, the fact, that non-co-operation has true nationalism and religious motive power and has spread far and wide, is thus grudgingly admitted.

"Nevertheless though the impracticable nature of the demands of Non-co-operation is realised by sober and sensible Indians, it has not been possible to ignore the fact that the Non-co-operation movement has to a large extent been engineered and sustained by nationalist aspirations, and so far as Mohammedans are concerned by religious feelings which have a strong appeal to those also who have not adopted its programme."

### BAD FAITH AND INSINCERITY OF GOVT. DAWN ON MR. SASTRI

46. The true state of feeling in the country has been quite evident for sometime past to all but those who will not see. Even Mr. Sastri could not fail to discern it during his recent meteoric flight across the Indian sky. He told his fellow "Liberals" in the Conference assembled at Bombay in April last that :—

"He had never known such profound distrust of Government as existed to-day, such absolute lack of faith in their sincerity, a rooted tendency to put aside all their pledges, promises and declarations as of no value whatever."

### CHOSEN VEHICLES OF BENEVOLENT SPIRIT

A fortnight later in the course of a post-parandal oration at the Viceregal Lodge the same gentleman addressing himself to the brilliant galaxy of officials whom he described as "chosen vehicles of the great spirit of benevolence that has always enobled the British Government in its mission in the world" permitted himself to say :—

"We never have seen in the country such a lack of hope and faith in the Government of the day. I say this in all solemnity. We have never seen such a total lack of faith by the people as to day."

### VICEROY IGNORES HIS TRUSTED ALLY

47. Lord Reading ignored the grave warning uttered by his trusted friend and ally and about a month after the above sentiment was expressed at his hospitable board tried to convince the members of the commercial communities who waited on H. E. in deputation that "the Government which is representative of India in a greater degree than previous Central Governments is inspiring trust and confidence." The failure of a strong Secretary of State

like Mr. Montagu to gauge real Indian feeling notwithstanding personal visits and inquiries on the spot has clearly demonstrated the utility of any attempt on the part of British statesmen to get at the true bearings of Indian problems. A new Under-Secretary of State, with no special knowledge of the situation, and with the redispositions of Earl Winterton can only derive sustenance by the careful spoon-feeding he receives from Simla and Delhi. We thus have the noble Earl delivering himself as follows in the recent Indian debate in the House of Commons :—

"The Government of India preferred to wait until the barrenness of his Mahatma Gandhi's political faith and its total failure to produce any constructive results had disillusioned his more intelligent supporters. Then his downfall was accepted by his followers with comparative coldness, while with the ignorant who had been taught to repeat his name and had been expecting the date of his promised Swaraj and several times seen it pass, the bubble of his supernatural attributes was summarily pricked."

#### THE BUBBLE OF MAHATMA'S SUPERNATURAL ATTRIBUTES

48. The general awakening of a fifth of the human race to political consciousness, attended it is true with a *contre-temps* now and then, is here treated as a "total failure to produce any constructive results" and while healthy differences of opinion among non-co-operators as to certain items of the programme are supposed to betoken a disillusionment of the more intelligent supporters of Mahatma Gandhi, credit is given for the absence of violent outbreak among the masses on the occasion of Mahatma's arrest to the summary pricking of the "bubble of his supernatural attributes." What does, in fact, account for the absolute quiet which prevailed after his arrest is the touching appeal repeated for the thousandth time in the same article in these words :—

"It is a matter of no pride or pleasure to me but one of humiliation that the Government refrain from arresting me for fear of outbreak of universal violence and awful slaughter that any such out-break must involve. It would be a sad commentary on my preaching of, and upon the Congress and Khilafat pledge of, non-violence, if my incarceration was to be a signal for a storm all over the country.....I hope therefore that the Congress and the Khilafat workers will strain every nerve and show that all the fears entertained by the Government and their supporters were totally wrong. I promise that such act of self-restraint will take us many a mile towards our triple goal. There should therefore be no HARTALS, no noisy demonstrations, no processions. I would regard the observance of perfect peace on my arrest as a mark of high honour paid to me by my countrymen."

Mr. Gandhi was either believed to be a saint or he was not. If he was not, there was no bubble to prick. If he was, no Indian could disregard the touching appeal contained in the above passage even at the cannon's mouth. But the bureaucracy would have it both ways, and thus the building of the fools' paradise goes on from day to day.

### ANOTHER OFFICIAL APOLOGIST

49. Mr. Rushbrook Williams, the official apologist, in describing the general results of non-co-operation in his "*India of 1921-22*" is reluctantly compelled to admit the existence of a widespread feeling of patriotism, though he limits it to the classes only and colours it with the dyes prepared and placed at his disposal by the Secretariat. The paragraph runs as follows and may be taken as a fair sample of the ostrich-like simplicity of the official mind which in the presence of undeniable facts seeks refuge in make beliefs—

"But when we turn to consider the campaign as a whole it would be idle to assert that it was infructuous. Whether the results obtained are desirable or undesirable will be demonstrated beyond all possibility of doubt by the mere passage of time. But that these results are real is no longer open to question. Mr. Gandhi's intensive movement during the year 1921 and 1922 has diffused far and wide among classes obviously oblivious to political considerations, a strong negative patriotism born of race-hatred of the foreigner. The less prosperous classes both in the town and in the countryside have become aroused to certain aspects of the existing political situation. On the whole this must be pronounced, up to the present, the most formidable achievement of the non-co-operation movement. That it has certain potentialities for good will be maintained by many, that it will immensely increase the dangers and difficulties of the next few years can be denied by few."

The above statement shorn of its adjectives and qualifying phrases comes nearer the truth than the official statement made by Earl Winterton in the House of Commons.

### THE VICEROY AGAIN—CONFIDENT YET DESPAIRING

50. On a par with the forced optimism of the Under-Secretary of State is the recent important pronouncement made by H. E. the Viceroy on the occasion of the opening of the Legislative Assembly. But it will be noticed that the confident tone in which the speech opens is in marked contrast to the counsel of despair which pervade His Excellency's concluding appeal to the councillors :—

"Here in India we know that they (the Non-Co-operators) do not represent the real views of the Indian people, but can you wonder that they created deplorable impression upon the British people throughout the Empire notwithstanding the devotion and loyalty of the great majority of the people of India."

It may pertinently be asked what is the great majority of the people of India composed of if not of the masses? But in the very next passage of his speech His Excellency felt called upon to urge his audience to "make an appeal to the intelligence of the masses and command their sympathy", and added :—

"We must convince them of the sincerity of our purpose, we must make them feel assured that the first motive of all our action is their ultimate well-being. You must attempt to diffuse the

clearer vision with which you have been gifted. You must help others to share in that wider outlook and in those opportunities for material welfare which you enjoy. Defensive tactics alone will not suffice. We must lead and guide upwards and onwards. The task is not easy, it requires application, it calls for patience, but it is one which I am confident that your efforts can bring to a successful issue. It is a task in which you may rely on the fullest support of my Govt. and of the Civil Services, who, in the face of much misrepresentation and hostility, have freely and unsparingly co-operated to work the reformed constitution and continue to labour for its success. They are ready to help you and they also look for your help. You ear around you propaganda against the Reforms; your rights are veiled by misrepresentations; your privileges and prospects are attacked, your achievements are belittled; your aims are vilified."

#### PRIVILEGES AND PROSPECTS OF COUNCILLORS

51. It is difficult to understand the nature of the devotion and loyalty of people whose intelligent sympathy has yet to be gained and who have yet to be assured of the sincerity of those to whom they are devoted and loyal. And what is more, it is admitted that the task is not easy, it requires application, it calls for patience." Confidence is no doubt expressed in the efforts of Councillor "to bring to task to a successful issue", but it has to be followed up with an assurance of the "fullest support of my Government and of the Civil Services" coupled with a significant reference among other things to their "privileges and prospects". The thoroughness with which things are managed by the Government is simply marvellous. Councillors are earnestly exhorted to "diffuse that clearer vision with which they are gifted" with all the resources of the Government and the Civil Services at their back and with an eye to their own privileges and prospects, with no other object than to gain an audience and enlist the sympathies of the very people whose chosen representatives they are. Strange are the ways of the "devoted" and the "loyal"—they flock in their thousands and tens of thousands to Non-co-operation meetings which do not represent their views, at the call of the town or village crier and leave those, to whom they are devoted and loyal, severely alone until the art of "gentle persuasion" is practised by some of the more distinguished Services, chiefly the police. However that may be; we take this opportunity of thanking His Excellency for the information that we have succeeded in "creating a deplorable impression upon the British people throughout the Empire." As for what "here in India we know," that, we fear, is even more deplorable from the point of view of His Excellency.

**THE PREMIER'S NOD—MORE ELOQUENT THAN HIS WORDS**

52. The recent historical speech of Mr. Lloyd George, which has so upset our Moderate friends, and the very able discourse of H. E. the Viceroy on the effect of ministerial nods on the meaning of words will be considered in connection with the question of the entry of Non-co-operators into the Councils to which both directly apply, but it may be observed here in passing that these official utterances are symptomatic of that mental state which is produced by disappointed hope and finds expression in bluster. If Non-co-operators have so utterly failed with the electors, as we are assured they have, where was the necessity of threatening them with dire consequences if they dared to wreck the Reforms. It is only necessary to add that these great pronouncements have left the Non-co-operators entirely unruffled.

**OUR FRIENDS, THE MODERATES**

53. We have so far dealt with the strength of the non-co operation movement in the country and in doing so have referred to the general effect of the overwhelming evidence given before us, the result of our own observations, and the more important official statements made from time to time. We have purposely refrained from noticing the attacks made on the movement, from the platform and in the press, by certain leading Moderates as any attempt in that direction would have landed us in an unprofitable controversy with our own countrymen leading to its inevitable aftermath of bitterness and chagrin. It may, however, be stated without fear of contradiction that whatever differences might exist as regards the principles of the movement and their application to the various spheres of Congress activity no Moderate of any note has so far denied that the sole credit for the great national awakening we see to-day belonged to Non-Co operation. On the contrary the foremost of them have ungrudgingly admitted the great success we have achieved, coupled though such admissions have invariably been with an expression of disagreement with the particular items on the programme. We give below a quotation from the speech of Sir Chimanal H. Setalvad at Ahmedabad in May last which may be taken as a fair representation of general Moderate opinion. He said :—

"I quite acknowledge that the Extremist party did good work up to a point. When they awakened the public to political consciousness, when they roused their self-respect and patriotism they did a great service..... I also acknowledge, gentlemen, the other directions in which good work has been done by the non-co-operation party. They have done well in arousing the feeling in favour of Swadeshi and in asking people to remove the untouchability of the depressed classes."



### TREMENDOUS FORCE BEHIND CONGRESS

54. It is thus established beyond doubt or cavil that the Indian National Congress has now a tremendous force behind it which neither oppression nor repression can suppress. Whether non-co-operators are giving a true or a false lead to the country, whether they have succeeded or failed in carrying out the various items of the programme, the fact remains that the future Government of this country under the present system is an utter impossibility except for a time, and that only by the continued use of the severe forms of repression which can but drive the iron deeper and deeper into the soul of the people. Those who have the eyes to see can read the answer to the recent threats uttered by the Prime Minister and the Viceroy in the grim determination of the people to continue the struggle at all cost till they are masters in their own house.

## CHAPTER IV,

### SUCCESSSES AND FAILURES

#### EFFECT ON COUNCIL ELECTIONS

55. We propose in this Chapter to deal briefly with the results attained in the various items of the non-co-operation programme, the successes achieved and the failures sustained. We shall first take the boycott of Legislative Councils. The Special Session at Calcutta was held on the eve of the first elections and Congress workers were called upon to concentrate their whole energies on making the boycott of the Councils a success. The call of the Congress was responded to in a manner which astonished the Government and the opposition Press alike. All nationalists whether they had favoured or opposed the boycott in the Congress loyally stood by it and withdrew their candidatures even though, in some cases, considerable trouble and expense had already been incurred. The vast majority of voters faithfully followed the lead by abstaining from going to the polls notwithstanding the undue pressure put upon them by the authorities and some zemindars. Here is Sir Valentine Chirol's appreciation of one of the elections in a letter to the London "*Times*" :—

"I drove out to a polling station in an important village about 15 miles from Allahabad on the road to Partabgarh.....When we reached the big village, almost a small township, of Soran there was still nothing to show that this was the red letter day in the history of modern India which was to initiate her people into the great art of self-government. Only the little Court-house we found, had been swept and garnished for use as a polling station.

"Inside, the presiding officer with his assistants sat at his table with his freshly printed electoral roll in front of him and the voting papers to be handed to each voter before he passed into the inner sanctuary in which the ballot boxes awaited him. But from 8 in the morning till past 12 not a single voter had presented himself in the course of the whole day."

56. Official statistics indicated that from 70 to 80 per cent had abstained from voting for the Provincial Councils, while about 80 per cent had abstained from voting for the Legislative Assembly, and in spite of the peculiarity and the narrowness of constitution of the Council of State, 60 per cent. did not go to the polling booth. Ingenious explanations were offered by the Moderate and Anglo-Indian press to cover up the complete defeat of the Government and the non-representative character of the candidates "elected," but independent critics who totally disapproved of the non-co-operation policy and deplored the Council boycott, felt compelled to acknowledge the futility of the elections. Says Colonel Wedgwood M. P. :—

"The elections have been held, but such elections were hardly worth holding. Vast numbers who would have voted have taken the easy course and stayed at home. Altogether about 24 per cent. of the electors have voted—more in Madras and Bengal and fewer in Bombay and the Central Provinces. Everywhere the Mahomedan constituencies have had pitifully few voters, for, to the Mahomedan Non-co-operation is now part of his religion."

Diagnosed that the enlightened public union of India should have boycotted the Reforms, the Colonel added :—

"The elections are finished, incompetent self-seekers have brought their seats and all the intelligence and 'pick' of the National party grows outside." "It is a bad position," he concluded, "and any sane Government would have postponed the elections on the chance of a compromise."

Other critics, who were unwilling to admit the failure of the reforms and anxious to make much of the fact that the Councils were full, admitted that the quality had suffered in view of the boycott. Referring to the new councillors, the "*Nation*" (London) wrote :—

"There may be highly respectable persons among them, wealthy men, men enjoying decorations but on the whole they are elderly (sic) and timid men who have little driving power, little initiative and no great popular following."

#### EFFECT ON SCHOOLS AND COLLEGES

57. Simultaneously with the active propaganda for boycott of councils, Mahatma Gandhi toured round the country calling upon lawyers to boycott the courts and upon students to give up Government and aided institutions. The first attack was directed against the M. A. O. College, Aligarh, by Maulanas Mohamed Ali and Shaukat Ali, and later by Mahatma Gandhi. Mr. C. R. Das led the campaign in Bengal as a result of which thousands of students left

Government schools and colleges in Calcutta and the *Mufassil*. Sir Ashutosh Mukerji, speaking as Vice-Chancellor of the Calcutta University, testified to the success of the Non-Co-operation movement amongst the student community of Bengal. Similar propaganda met with striking success in the Punjab and the other provinces. A large number of national schools and colleges sprang up all over the country supported by public contributions and staffed by teachers who were men with burning patriotism and self-reliance and who worked cheerfully in spite of financial difficulties. While some of the students who had come out of Government schools joined the National schools and colleges or became Congress workers, the majority was obliged to return gradually to their old schools owing to the unfortunate paucity of national institutions. The boycott of schools and colleges resulted in adding to the ranks of Congress workers some of the more ardent young men, whose patriotism and enthusiasm have greatly advanced the cause of the country.

#### SPIRIT OF N. C. O. IMBIBED

58. A good deal has been made of the fact that a large number of students who had originally come out of the Government educational institutions have gone back; and it is claimed that the boycott has failed. It must be admitted that so far as effort was directed to the weaving of the students from Government schools and colleges, it has met with poor success but it cannot be doubted that the spirit of non-co-operation has been largely imbibed by the student population of the country as a whole. This has been demonstrated time after time by the attitude of the students in regard to various public activities. Non-co operators have addressed huge public meetings largely attended by students and have been listened to with patience and consideration, while prominent moderates, including some of those who have enjoyed the universal confidence and respect of the student class, have repeatedly failed to obtain a hearing from their erstwhile admirers. We do not for a moment commend this behaviour of the students towards respected moderates. Mahatma Gandhi and many other prominent workers have condemned it unsparingly from the platform and in the press, but the fact remains that moderate opinions have become intolerable to young men of the country to such an extent that they forget themselves as Indians and lapse into Western methods of marking their disapproval. The truth is that if they do not one and all leave their schools and colleges it is because they have nowhere else to go for any education whatever and not because non-co-operation does not appeal to them. With them it is a case of choosing the lesser evil which they fully recognize. The moral victory of non-

co-operation is complete. It has destroyed the prestige of Government institutions and put the students on their guard against their evils.

### NATIONAL EDUCATIONAL INSTITUTIONS

59. We have already adverted to the inadequacy of National educational institutions to meet the large demand made on them. The very nature of the struggle precluded the thorough organisation of National colleges and schools, but the enthusiasm of the students and of the teachers kept these institutions going, however inefficient and inadequate they were. The Bardoli resolutions rightly stopped all active propaganda against Government educational institutions and directed the various Congress bodies to improve the quality of education and to better the organisation of national institutions in order to attract students from the Government colleges and schools. The present conditions of the national institutions all over the country is far from satisfactory. They are all working heroically under great disadvantages and disabilities. The teachers receive a bare living wages. The buildings are mostly rented and are unsuitable. In most cases the syllabus of studies is identical with that of the Government institutions with the exception of the charka, the hand-loom and the compulsory learning of Hindi. Almost every institution visited by us was in financial distress.

Notwithstanding only slight changes in the course of studies in these national institutions, the very fact of their being carried on without Government aid has produced a perceptible change in the character and outlook of the teachers and pupils.

### LAWYERS, LITIGANTS, AND LAW COURTS

60. What we have said about students, schools and colleges applies *mutatis mutandis* to lawyers, litigants and law courts. If success is to be measured by the number of lawyers and litigants abstaining from resorting to the courts, it must, as in the case of students, be admitted that this item of the programme has failed. It appears that between 1,200 and 1,500 lawyers in all suspended practice as a result of non-co-operation in the whole country. This number is insignificant compared to their full strength and it has now been further reduced by some of them having gone back to practice for private and other reasons. But such of them as have adhered to their resolve to keep out of the Courts have done splendid service to the cause. The fact that practising lawyers in far larger numbers are whole-heartedly supporting the movement in different ways, specially in the constructive part of the programme and in liberally contributing to the Tilak-Swarajya Fund shows that the profession as a whole has well caught the spirit of non-co-operation,

The action of a number of Bar Associations in passing resolutions condemning the repressive policy of the Government in strong and clear terms, of the Calcutta Bar Library in cancelling the dinner to Lord Reading as a protest against that policy, of the Madras Vakil's Association in entertaining the lawyer members of the Congress and Khilafat Civil Disobedience Enquiry Committees in the Association Rooms of the High Court building and giving a firm and dignified answer to the threats of the Chief Justice communicated through the Registrar will always redound to the honour and credit of the profession. At the same time it is true that some lawyers chiefly those in the front ranks of the bar have expressed their disagreement with the principle and programme of non-cooperation and others have actually opposed it.

#### LAWYERS' PLACE IN THE PROGRAMME OF N.C.O.

61. While the principle on which the boycott of Courts is based is perfectly sound, we feel constrained to say that it has been carried to undesirable lengths in practice. There can be no doubt that practising lawyers who adopt the Congress Creed are fully entitled to join all the component parts of the organization and to hold offices to which they may be elected by the free exercise of the franchise. There is no disqualification placed on them by the Congress, but Mahatma Gandhi advised them to be content with the part of unseen actors behind the scenes, and this advice was interpreted by the more enthusiastic committees as placing a ban on practising lawyers; and some Provinces actually framed rules disqualifying them from holding any office. This in itself would be strong enough reason for all self-respecting practising lawyers to keep outside the Congress against their own inclination, but the unpardonable discourtesy with which they came to be generally treated effectually shut them out from all public activity. The movement thus lost the support of the most efficient body of men by what can only be characterised as an entirely false step. There is no reason why a wholesale importer of foreign cloth should be freely admitted into all Congress organisation and even to responsible offices under it, whilst respected practising lawyers, known for their special aptitude for public work, were studiously and sometimes offensively excluded. It is true that some of the foreign cloth importers and Indian mill-owners contributed handsomely to the Tilak-Swarajya Fund, but the lawyer class as a whole was never given the chance to rise to the full height of its well-known open-hearted liberality in support of public movements. We trust that the All-India Committee will pay immediate attention to this matter and make the *amends honorable* to a deserving class which in the

past has furnished the back-bone of public life. It should however be clearly understood that we suggest no change in the boycott of Government educational institutions by students or of courts by lawyers and litigants as it stands in the Congress resolution. The principle involved in it is, as we have already stated, perfectly sound and must be maintained to keep the ideal before the public mind. Mahatma Gandhi has explained the position very clearly in the following passage in the "*Young India*" of the 8th December 1921 :—

"We are no longer in the dark. We have the result of fifteen months' working of the new method. Rejection of courts, schools and councils is an integral part of the programme. We may not give up parts because we have not achieved full success, if we are convinced that in themselves they are desirable. Although we have not succeeded in emptying the three institutions, we have demolished their prestige. They neither worry nor dazzle us. That many parents, many lawyers and many law-givers have not responded, shows that we must make a greater attempt to wean them, not now by arguing but by the exemplary conduct of abstainers. For me they are the Government. Just as I may not apply for a paid post because no Government servant resigns, I may not join the ranks of voluntary servants because the latter do not come away. I am convinced that the country has risen because of the abstention even of the few from association with these emblems of the existing Government.

Inadequate response is an eloquent plea, if you will, for establishing better schools and panchayats, not for confession of incapacity by returning to the flesh pots of Egypt."

Inadequate response is an eloquent plea, if you will, for establishing better schools and panchayats, not for confession of incapacity by returning to the flesh pots of Egypt."

#### PANCHAYATS.

62. The establishment of panchayats was the necessary concomitant of the boycott of courts and was taken up in right earnest. From October 1920 to January 1921 a very large number of these sprang up all over the country. Many of them worked well, a few proved inefficient. Lacking the necessary sanction behind them, these National courts could at best work under serious disadvantages but the hand of repression descended heavily on them and in many Provinces made a clean sweep of the panchayats with all their paraphernalia. In the United Provinces a regular hunt for *panches* was organised by the police and there were scarcely any who were not given some experience of the inner working of police stations, the lock-ups and the gaols. The evidence shows that in the Punjab, Bengal and Behar a number of *panchayats* are still working more or less satisfactorily ; but on the whole the attempt to have any proper substitute for the existing courts has undoubtedly failed—thanks to the zeal of the agents of law and order. In some places, the scope and function of *panchayats* were wholly misunderstood and

a complicated system is close imitation of the procedure obtaining in the British Courts involving appeals, reviews of Judgment and revision of orders and the appointment of judicial and ministerial staffs was evolved by some legal genius. Such a system was foredoomed to failure and the wonder is that it worked well for a time. It is scarcely necessary to point out that the essence of a *panchayat* lies in the confidence placed in it by the public and not in elaborate artificialities of procedure. It would be well for Provincial Committees to frame a few simple and uniform rules for the guidance of subordinate committees with such modifications of the old rules of caste *panchayats* as the altered circumstances of the country require.

### TITLES

63. There is no item of the programme which has met with so striking a success as the boycott of titles. We say so deliberately and with full knowledge of the fact that there have been few renouncements and that the periodical "honours" lists have been as full as ever—perhaps fuller, owing to the extraordinary increase in the eligibles by the addition of those who supported the Government in its campaign of repression. But the honour and glory of it has departed for ever. Titles have ceased to be paraded in public and semi-public functions outside Government Houses and official documents and the uncomfortable bearers of 'honorific' prefixes to their names prefer to be referred to as plain Pandit, Lala, munshi or Mr., while the man in the street turns away from them the moment he discovers their abnormality.

### SWADESHI

64. The whole effort under the head Swadeshi has been concentrated on the production and popularising of Khaddar. It is gratifying to find that in 16 out of 19 Congress Provinces very considerable progress has been made, though the production is slow and unable to keep pace with the great demand. In Appendix III (not printed) we have summarised all the available information and it is unnecessary to go into details here. The Khaddar department has recently been placed under the competent direction of Seth Jamnadal Bejaj who is devoting his entire energies to it. The result of his endeavours is not before us and it is premature to offer any suggestions on the system he has inaugurated. There are, however, a few important points in this connection which require immediate attention. The great demand for Khaddar has tempted foreign manufacturers and local dealers to introduce a foreign substitute for Khaddar in the Indian markets and the fraud has been so cleverly carried out that it defies detection. The Khaddar depots in the

larger towns easily lend themselves to this fraud as the demand on them is great and the sources of supply are limited. It has also been our painful experience to find that certain unscrupulous producers of the finer textures in and around Bezwada which had justly earned the reputation of being the modern Dacca of India have, in their cupidity, allowed the good name of their district to suffer in public estimation, to the serious detriment of themselves and the more honest members of the trade. It appears that these profiteers have used foreign and Indian mill-made yarn in great quantities to meet the enormous demand from other provinces. Not many of the numerous Khaddar Bhandars dotting the whole country deal exclusively in the genuine stuff. Indeed it has now become impossible to say with certainty of any particular piece that it is *Akhudh* Khaddar without elaborate enquiries, the result of the majority of which is highly unsatisfactory. It is said that there are experts who can distinguish the genuine from the spurious article but it is impossible to refer every purchase to them. We have carefully considered the question and, in our opinion, the only way out of the difficulty is to confine all Congress activities to the encouragement of the cottage industry and abandon all attempts to supply the requirements of dwellers in towns by opening large stores and depots and stocking them with cloth of unknown origin. We are not against manufacturing centres under competent supervision. We were shown one in the village of Uttukuli in the Coimbatore in Tamil Nadu District where every process from the ginning of cotton to the production of the finished article was carried out under the management of Congress workers and we are assured that there are many others of similar nature in various places in Southern India and elsewhere. We suggest the appointments of a small committee of experts to go into these questions at an early date. It is noteworthy that the boycott of foreign cloth has already made itself felt in Lancashire.

#### THE TILAK-SWARAJYA FUND

65. It is to be regretted that the collections for the All-India Tilak Swarajya Fund have greatly been hampered by excessive repression and the general depression which followed it. Most of the workers who were in special charge of this important branch of the work are now in gaol. Numerous Congress offices have been raided by the police and account books, receipt forms and other important papers taken away—not in connection with any case pending in Court or under police investigation but in a purely lawless manner upon which it is easy to frame serious indictment: if there were some Court to try them. But we have to wait for the constitution of such Courts and meanwhile the collections must



go on with the help of such workers as the jails are too full to receive. Another reason why subscriptions to this fund have not poured in freely from all directions is that no statements of account showing receipts and expenditure could be published by Committees who were deprived of their records by the police in the manner stated above. It is but natural for the public to make sure of what is being done with the money they have already paid before putting their hands into their pockets again. We trust that the public will realise the difficulties under which Congress work is being carried on and that the workers will try their best to meet the wishes of the public by making up and publishing such accounts as are possible on the existing data. We have in the course of our tour drawn the special attention of Committees and workers to the importance of this item of the programme.

A copy of the duly audited statement of accounts showing the result of Mahatma Gandhi's first big drive is printed as Appendix VI (not printed) for the satisfaction of those who have needlessly allowed their peace of mind to be disturbed by the apprehension that the crore of Rupees announced on the first July, 1921, might not have been actually subscribed. The statement will show that the crore was over-subscribed by Rs. 12,91,407-0-11.

#### CONGRESS MEMBERSHIP

66. The work of registering Congress members has also suffered for similar reasons. Provinces more or less free from repression have done a little better than those subjected to it in all its severity but, on the whole, the results are entirely unsatisfactory. This was put down either to repression or to the depression caused by the Bardoli resolutions and in Upper India to both. The work was taken in hand with energy in every Province as we passed through and we expect has, by now, made fair progress. We expect from the great enthusiasm prevailing in the whole country that the registers would be full soon after they are opened.

#### VOLUNTEERS

67. The devotion and readiness for sacrifice demonstrated by the Congress volunteers during the December—January campaign is not likely to be forgotten by the public as well as the authorities. We wish we could say the name of their discipline; but if they were wanting in it, the fault was not entirely theirs. It must be remembered that they had little time between enrolment and arrest to receive any training and that many of them were taken before they could register their names. Experience has, however, shown that greater care is necessary in future recruitments in enlisting the proper men. That some of the so-called volunteers have done no

credit to themselves or to the movement has been clearly established, but with this reservation no unprejudiced person can withhold his meed of praise from the brave and earnest men who came forward in response to the call of the country in their thousands regardless of consequences. Many of them are still in gaol, many have returned to their ordinary avocations for want of any particular work to do, and many more are ready for the sacrifice as soon as it is called for.

### UNTOUCHABILITY

68. Untouchability is a sore point in Southern India and to some extent in parts of Central and Western India. With a few notable exceptions, much practical work has not been done to remove this blot from the fair name of India. There is, however, a perceptible change for the better slowly coming over the country. The difficulty is that the problem is wrongly mixed up with religious belief. The most gratifying feature of the situation is that the mental state of antipathy has all but disappeared. There is, therefore, no room for despair.

### ANTI-DRINK CAMPAIGN

69. A vigorous anti-drink campaign accompanied in a large number of cases with picketing of liquor-shops was carried on throughout the country in 1920 and 1921. The immediate effect was a marked decline in the consumption of liquor but after the removal of the pickets the pendulum swung back and the evil arrested itself against in full force. But the movement has served to focus the attention of all classes of people on the drink evil such as no previous agitation succeeded in doing.

### INTER-COMMUNAL UNITY

70. The Prime Minister of England in the famous speech recently delivered by him in the House of Commons has thus justified the maintenance of the Indian Civil Service for all time to come :—

“There is great variety of races and creeds in India, probably greater variety than in the whole of Europe. There are innumerable divisive forces there, and if Britain withdrew her strong hand nothing would ensue except divisions, strife, conflict and anarchy.”

Now the strong hand of Britain is the “British Civil Service in India.” Remove the cause of “divisions, strife, conflict and anarchy” and you take away the sole justification for the continuation of that distinguished service. There can be no question that inter-communal differences constitute the sole cause of “divisions, strife, conflict, and anarchy” and that inter-communal unity which means the removal of that cause means also the removal of all

justification for the continuance of the Civil Service. It is not necessary to possess a very high order of intelligence to understand this.

### THE CIVILIAN MENTALITY

72. There are men among the members of the Indian Civil Service who believe that there is an impassable gulf which runs between the different communities, specially between the Hindus and Mohammedans and that they can never unite except for the purpose of overthrowing the British Empire. This was clearly shown during the Punjab Martial Law regime. A distinct count of a long charge framed by a responsible member of the Indian Civil Service, against the accused, was "fraternization" or "abetment of fraternization" of Hindus and Mohammedans with intent to overthrow the Government by law established. This fraternization consisted in Hindus and Mussulmans drinking water out of one and the same cup or tumbler which orthodoxy strictly forbids to Hindus generally and also to a certain section of Mussulmans. It was not a sort of loving cup passed round to seal a secret compact between these revellers in pure water but just simply a case of quenching thirst or moistening the throat from time to time during intervals in shouting "Mahatma Gandhiki Jai" and "Allah-ho-Akbar." But the criminal intent was there for they were sinking one of their vital differences in that little cup of water. The accused were convicted and heavy sentences ranging from transportation for life to imprisonment with hard labour for shorter terms were passed, and but for the Royal clemency all these men including the present Minister of Industries in the Punjab Government would now have been rotting in gaol. The average civilian sees danger in the two communities coming together unless both sides are known to be thoroughly "loyal."

### THE INDIAN MISCHIEF-MAKER

72. There are among Indians certain classes of men in and out of Government Service—no country in the world is without such men—who believe that by promoting "divisions, strife, conflict, and anarchy" they would either be helping or pleasing the Civil Service and thereby advancing their own interests. These men never fail whenever a suitable opportunity arises, such, for instance as Bakrid, Moharram, or Dasahra, to set community against the other by false report or by doing or having something done to kindle the fire or religious frenzy just at the moment when excitement runs high. Nothing is easier than throwing a stone at a *fasia* procession or introducing a piece of beef in a temple or a slice of pork in a mosque on the occasion of some great festival. Some

members of the community whose religious feelings are thus outraged lose their heads and go for the members of the other community present on the spot and serious results follow. There are reprisals and counter reprisals sometimes lasting for days.

### THE ONLY RADICAL CURE

73. The great curse of India is the highly excitable religious susceptibility of the people which furnishes an easy handle to mischief-makers under the best of conditions. Hindus and Mohammedans have lived as good neighbours for ages, they understand each other thoroughly, certainly more thoroughly than an Englishman can ever hope to understand either ; they know that one community can gain nothing by insulting the religion of the other but the mischief-maker knows the weak points of both and never loses his opportunity. The only radical cure for the disease is the entire elimination of the mischief-maker, but that, in view of the conflict of interests we have pointed out above, cannot happen unless and until the costly maintenance of the Indian Civil Service ceases to depend upon "divisions, strife, conflict and anarchy" ; in other words, unless and until Swarajya is fully established. It is only then that the mischief-maker will lose his occupation and think of some other opening for his activities. Meanwhile all that can be done is to minimize the chances of his success, which Congress workers both Hindu and Mohammedan are trying to do.

### MALABAR AND MULTAN

74. The joint efforts of the Congress and the Khilafat in combating the activities of the mischief-makers have succeeded to a very considerable extent, but there is undoubtedly room for much greater improvement as evidenced by the deplorable events in Malabar and the more recent regrettable outburst in Multan. We refrain from going into these sad occurrences in detail as, in the case of Malabar, a separate enquiry is being held by another Committee appointed by the Working Committee under the chairmanship of Mr. Faiz Tyabji, Bar-at-Law, an Ex-Judge of the Madras High Court, and in the case of Multan the occurrence is too recent to admit of a correct analysis of the true facts. But whatever the origin of these disturbances, they can only be regarded as national calamities and the misdeeds committed in both places cannot be too strongly condemned. It is re-assuring, however, to find that the leaders of the two communities in both places are adopting all possible measures to restore harmonious relations. But for the echo of Malabar and Multan occasionally heard here and there the relations between the two communities in the rest of the country are satisfactory. Not a few attempts of

mischievous-makers to stir up trouble have on various occasions been successfully frustrated by the timely intervention of Congress and Khilafat workers.

## CHAPTER V.

### CIVIL DISOBEDIENCE

#### THE SITUATION

75. In the previous chapters we have passed in rapid review the History of Non-co-operation from its inception to the present time, the victories it has won and the reverses it has suffered. We have also traced the course of the Government policy of severe and reckless repression to stifle the movement by every means in its power. It is not easy to determine with any approach to exactitude the balance of gains and losses on each side. The Government and its supporters claim a decisive victory but while proclaiming from house-tops that non-co-operation is dead they look over their shoulders to make sure that the non-co operator is not actually upon them even as they speak. The latter fully conscious of his strength and confident of ultimate success lays no claim to complete victory. There is no victory for him till the Government of the country passes into the hands of the people of the country. What then is the true position at the present moment? Let us sum up briefly.

#### POSITION OF CONGRESS

76. The Congress worker after holding his own for two long years against a mighty Government, despite heavy casualties finds himself suddenly checked at the very moment he, rightly or wrongly, believes that he is ready to deliver the final blow, and is practically told (for the best of reasons be it conceded) to begin again, with no guarantee that he will not be similarly checked at the end of the second course of preparation by some individuals losing their heads in one or more outlying parts of this vast country. A couple of weeks later public feeling asserts itself at the meeting of the All-India Congress Committee and in response to it the right to regulate individual civil disobedience, aggressive and defensive, hitherto vested in Provincial Committees is restored to them. Soon after this Mahatma Gandhi goes to gaol, leaving behind a strict injunction against demonstration of any kind whatever. That injunction is too sacred to be disregarded but the modification of the Bardoli resolution secured at Delhi provides a wide enough outlet for the pent-up feelings of the people as well as full opportunity for a

strenuous prosecution of the constructive programme. That outlet is effectually closed by the Working Committee almost immediately after Mahatmaji's incarceration and the concession grudgingly made at Delhi is practically withdrawn by the grave warning to Provincial Committees (dictated no doubt by considerations of the highest produce at that particular juncture) "against any hasty use of the powers conferred upon them in respect of individual civil disobedience, whether defensive or aggressive." The worker whose zeal was tempered with a love of excitement finds himself ill at ease with what he considers to be the humdrum part of the work and takes little interest in it. The worker fired with a genuine enthusiasm sharpened by the love of the work for its own sake falls an easy prey in the hands of the police who pick him up wherever he is found carrying on his innocent activities, under one of the convenient sections of the Code of Criminal Procedure or even without the trouble of appearing to act under colour of law. The All-India Committee again meets at Lucknow and finding it to be the general sense in the country that a step forward should be taken appoints this Enquiry Committee to go into the question and report on the situation after a full investigation. The country now awaits a proper lead from the All-India Committee. This is one side of the picture.

#### POSITION OF THE GOVERNMENT

77. The Government mistakes the Bardoli resolution as a sign of weakness and interpreting the modification made at Delhi as an index of the waning popularity of Mahatma Gandhi lays violent hands upon him. It is further encouraged by the calm and quiet atmosphere which prevails after the arrest to accelerate the speed as well as the severity of repression, making it almost impossible in many provinces for any constructive work to be peacefully done. Knowing full well that such enforced quiet can never secure the contentment of the people, it hopes, after the manner of all alien and despotic Governments, to keep them under its heel by terrorism, and there is a constant display of the might of the Empire, the military and the armed police are in evidence everywhere. The members of the Legislatures, who were in the beginning petted and pampered, having under repeated trials been found sadly wanting in influence over the people are now relegated to the position which is theirs under the Reforms and treated with scant courtesy, little short of utter contempt. When scolded in the council chamber for exercising their undoubted rights, even under the shadowy Reforms, their loyalty to the constitution, so dear to them, suggests a meek submission to further castigation in the ante-chamber of the Government House as a fitting expiation for their

attempt at independence and a prudent move to secure a fresh lease of life. The Government based on physical might and incapable of recognising the existence in the universe of a superior force tries to believe that non-co-operation lies prostrate at its feet. The necessity for permitting its spoilt child, the councillor, occasionally to tread on its toes having thus disappeared and with it the desirability to spare the rod, it reminds him that his 'prospects' depend on its own good will, euphemistically described as the good will of the British Nation and dismisses him with a broad hint that he might do worse than acquiesce in the legislation desired by it. After these achievements it makes an effort to settle down but feels uneasy at the near approach of the new elections and realizing that the non-co operator has the support of the country behind him threatens him with terrible consequences if he dared to wreck the reforms. Convinced in its heart of hearts that the non-co operator is not made of the soft material found in the composition of the obsequious councillor, the Government also awaits the decision of the All-India Committee for its own purpose—the forging of new weapons to meet the new situation. This is the other side of the picture.

#### NO CHANGE FOR ITS OWN SAKE

78. There is a general demand for some decisive step without any definite suggestion as to the direction in which it is to be taken. We fear that such a vague demand is consciously or sub-consciously based on the single desire to enthuse the worker, who without caring to consider the immense potentialities of the Bardoli resolution has allowed his zeal to abate. We may say at once that we are not influenced by any such desire and our answer to it is to be found in the following words of Mahatma Gandhi :—

"Some friends argue that in order to continue the struggle the people need some stimulant. No person or nation can be kept alive merely upon stimulants. We have had much, too much, of it latterly. And the antidote now is a depressant. If therefore depression follows the cessation of all aggressive activities and people forsake us, it would not only not hinder our cause but help it. Then we shall not have to shoulder the responsibility for a Chauri Chaura. Then we should go forward with a steady step without any danger of having to look back. If however we can survive the depression and keep the people with us, we shall have positive proof that the people have caught the message of non-violence and that the people are as capable of doing constructive work as they have shown themselves capable of doing destructive work. Whatever the result, the present excitement must be abated at any cost."—*Young India*, March 2nd, 1922

The step to be taken must therefore be one called for by the actual need of the hour and not merely to satisfy the desire for a change however general it may be.

### DECISIVE STEP NEEDED

79. The evidence given before us show that there is not only a general desire but a pressing need for some form of civil disobedience to be adopted, without which it is difficult to advance the constructive work and carry on the normal activities of the Congress in the face of the determined opposition set up by the Government at every step. There is a very large number of witnesses who believe in constructive work both on its own merits and as a means of preparing the people for mass civil disobedience. The majority of these consider the immediate adoption of defensive individual civil disobedience in some form on a large scale to be necessary for the vigorous prosecution of the work. Only a few can think of the constructive programme as a thing apart from mass civil disobedience and quite sufficient in itself for the ultimate attainment of Swarajya. Fewer still have any hope of the success of the constructive programme without the adventitious aid of individual civil disobedience, offensive or defensive, from time to time as occasion arises. Then we have a class of witnesses who while they fully appreciate the importance of constructive work do not believe in it as an essential step either towards civil disobedience or the attainment of Swarajya. It will thus be seen that the need for some definite action is clearly established. The only question is what is to be the nature of that action and which of the various proposals made is the most suitable.

### STRINGENT TEST OF PREPAREDNESS

80. We shall first take mass civil disobedience which is specifically mentioned in the resolution of the All-India Committee passed at Lucknow.

The first and the most important general observation to be made is that if the stringent tests laid down by the All India Congress Committee in the resolution passed at Delhi on the 4th November 1921 are to be applied, no province, district or tahsil in India, except perhaps Bardoli which was at one time declared to be ready, is fit for mass civil disobedience. It cannot be said of any district or tahsil that "therein a vast majority of the population have adopted full Swadeshi or are clothed out of cloth hand-spun and hand-woven and believe in and practise all the other items of non-co-operation." If the necessity or propriety of this test were not questioned we should not have felt justified in pursuing this question any further. But we find there is a body of opinion



specially in Bengal which, while it attaches due importance to the desirability of fulfilling the conditions laid down, does not regard them as essential for a resort to civil disobedience. In view of this we shall refer briefly to the evidence adduced before us.

#### GENERAL MASS CIVIL DISOBEDIENCE

81. A reference to Appendix VII will show our general classification of witnesses on this and other important points. Of the various forms of civil disobedience referred to above what is known as general mass civil disobedience including the non-payment of taxes has found only four staunch supporters (Group A) out of the 366 witnesses we have examined and 93 others who have submitted written opinions only. It is hardly necessary to examine the grounds on which these four gentlemen think that the country is ripe to embark upon a campaign of such vast magnitude. The principal factor in determining the readiness of the people at large to resort to any particular form of civil disobedience is the readiness of the chief workers who have to bear the whole brunt of directing the campaign ; and if we can find no more than four persons in all India to shoulder the responsibility we think we can without examining their evidence in detail safely ask the country to wait.

#### GENERAL NO-TAX CAMPAIGN

82 We then have two groups of witnesses (B and C) numbering three and five respectively. The first of these advice the immediate launching of a general no-tax campaign throughout the country but would not break any other laws ; and the second advocate the adoption of immediate mass civil disobedience limited to particular laws and taxes only. What we have just said about the first group of witnesses applies with equal, if not greater force, to the evidence given by these gentlemen and it is unnecessary to notice it further. Of the remaining 447 witnesses 9 (Group G) are against mass civil disobedience in any form on principle apart from the readiness or otherwise of the people to undertake it, and the rest with the exception of a few who have offered no evidence on the point have given it as their considered opinion based on personal knowledge that the country is not yet ready to embark on general mass civil disobedience at present. Many of these latter class estimate the time requisite for the necessary preparation of the district or province which they come from at varying periods from 6 months to 6 years or more.

#### COUNTRY NOT READY

In view of the recommendation we are going to make on the whole subject of civil disobedience we do not feel called upon to

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enter into these speculations. *It is enough to state here that the country is not ready at present to undertake general mass civil disobedience or a general no-tax campaign in any Province or District.*

#### LIMITED MASS CIVIL DISOBEDIENCE

83. The question of adopting mass civil disobedience in reference to a particular law and order or some local or provincial tax, e.g., the Chaukidari-tax in Bengal stands on a different footing and cannot be decided on general considerations. It is obvious that a situation may suddenly develop in a particular locality demanding an immediate resort to civil disobedience of this nature by persons thoroughly prepared for it. No hard and fast rule can be laid down for such an emergency and it must in all cases be left to the Provincial Committee to permit such civil disobedience after fully satisfying itself of the urgency of the case and the readiness of the people concerned to suffer all the consequences with perfect non-violence.

#### DEFENSIVE INDIVIDUAL CIVIL DISOBEDIENCE

84. We next come to individual civil disobedience. The weight of evidence preponderates in favour of the type known as "defensive" which claims no less than 243 supporters who are ready to make a beginning at once. Out of these 112 are equally strong in favour of the aggressive form. There are 161 others who favour both forms but are not quite ready for an immediate resort to either. Lastly there are 9 who are opposed to both in principle. This short analysis will show that the Delhi resolution of the 24th—25th February last crystalizes the general effect of this evidence on the subject and fully meets the wishes of all the witnesses, except the 9 last mentioned. In permitting both aggressive and defensive individual civil disobedience generally in all provinces it satisfies the general demand for it, and in subjecting it to the previous sanction of the Provincial Committees it brings those, who are ready to begin at once, into line with those who are not, for it leaves the question of readiness or otherwise to the decision of the Provincial Committee.

But the Delhi resolution of the 24th—25th February applies only to individual civil disobedience and cannot include mass civil disobedience even in the restricted form which as we have pointed out above must also be left to the discretion of the Provincial Committee. On a review of all the evidence and the circumstances of the country it seems to us that the best course would be to restore Resolution II passed by the All-India Congress Committee at Delhi on the 4th—5th November which gives Provincial Committees all the powers necessary to determine upon a resort to civil disobedience of any kind

whatever and cancel Resolution 1, cl. I, passed on 24th—25th February to the extent it conflicts with the earlier resolution with the reservation that general mass civil disobedience is not permissible.

#### WORKING COMMITTEE RESOLUTION EXPLAINED

85. We wish here to make it perfectly clear that the warning uttered by the Working Committee on the 17th, 18th March last at Ahmedabad was never intended to restrain a Provincial Committee from permitting individual civil disobedience, aggressive or defensive, if the conditions laid down were fully satisfied. That warning had special reference to the very critical period of Mahatma Gandhi's arrest and even then was directed against the "hasty use of powers." Now that the country has successfully emerged from the greatest trial of endurance and self-control it could be subjected to by remaining thoroughly non-violent at the arrest and imprisonment of the great leader of the movement, the warning of the Working Committee has spent its force though of course a "hasty use of powers" is always to be avoided.

#### ILLEGAL ORDERS NOT BINDING.

86. Having regard to the determination of the Government, as evidenced by the action of its subordinates, to suppress every activity of the non-co-operator, whatever its nature, we are clearly of opinion that the normal work of the Congress should not be allowed to suffer under any circumstances by reason of any illegal orders that may from time to time be issued. The point we wish particularly to emphasize is that there is nothing wrong or illegal in the prosecution of the constructive programme as laid down at Bardoli and reaffirmed at Delhi and that any orders designed to interfere with the carrying out of that programme under the cloak of law can only be characterised as dishonest and can have no binding force whatever. Disobedience of such orders is not civil disobedience.

#### CAN BE RIGHTFULLY DISOBEYED

87. It is evident that a law or order to have any binding effect must be legally in force and applicable to the given case ; if it is not, there is no sanction behind it and there can be no question of civilly disobeying what is *ipso facto* void. On the contrary, it would be the legal right of the most law-abiding citizen in the world to ignore and disregard it altogether if it interferes with his business or the performance of his duty. For example, the Criminal Law Amendment Act, Part II, can only apply to a district or province if a proper notification, declaring certain associations within the district or province to be unlawful, is duly promulgated by

competent authority. Suppose such notification is not issued, or, if issued is not in accordance with law, there can obviously be no offence under the Act. There are good reasons for holding that the notifications issued by the Bengal and U. P. Government were not according to law. Again, take the very much misused section 144 of the Code of Criminal Procedure which is applicable only to urgent cases of nuisance or apprehended danger and requires certain legal formalities, the observance of which is essential. Even when all the formalities are duly complied with it has only temporary effect within reasonable bounds. It is well known that a large percentage of the orders issued under this section were wholly without jurisdiction and absolutely void, not a few being actually dishonest. No law has, to use the language of Mahatma Gandhi, been more "prostituted to serve the base ends" of the authorities than this section. We give in the Appendix VIII (not printed) the judgment of the Judicial Commissioner of Oudh in a typical case of this nature. It is no matter for surprise that even after and in spite of this judgment, and in Oudh itself, orders of the nature held to be invalid by the highest Court in the province continued to be passed and were complied with in the belief that non-compliance would amount to civil disobedience which had not been sanctioned by the Provincial Congress Committee. The general impression among a large section of workers and Congressmen is that they would be resorting to civil disobedience if they refused to comply with any order of a magistrate or of the Police, good or bad, and it is this impression which has hampered Congress work on the one hand and accentuated the demand for the commencement of mass civil disobedience on the other. The "prohibited public meetings" mentioned in the example given in the note appended to the resolution of the All-India Congress Committee must be taken to mean such meetings as had been prohibited by a lawful order passed by competent authority; otherwise no question of civil disobedience, mass or individual, aggressive or defensive, could possibly arise. But the omission of this qualification, probably due to the obvious nature of it, has caused misconception. *We desire, therefore, to make it perfectly clear that civil disobedience, as we conceive it, has nothing whatever to do with illegal orders and that it is the indisputable right of every citizen to break them at will.* At the same time we must not be understood to advocate the breaking of these orders by all persons and at all times without reference to the exigencies of the case. We fully recognise that it is difficult for those who are not lawyers to form a correct opinion about the validity or otherwise of particular orders, and would therefore advise a reference to the Provincial Committee before action is taken by individuals. *In all such cases*

*the Provincial Committees would do well to indicate the lines on which alone action may be taken and further to make it clear where they are advising civil disobedience or merely non-observance of an illegal order. It is not the case that all orders under section 144 are invalid ; if that were so, section 144 would be superfluous which it certainly is not. We have thought it necessary to draw attention to this point with a view to remove a general misconception and to make it clear that our proposals in regard to civil disobedience do not apply to illegal and invalid orders which stand on a different footing altogether.*

We trust that when these points are made clear there will be no further difficulty in adopting the right course whenever the normal activities of the Congress are interfered with.

## CHAPTER VI

### ENTRY INTO LEGISLATIVE COUNCILS

#### PART I

*Views of Sriyuts Kasturi Ranga Iyengar, M. A. Ansari and  
Rajagopalachariar.*

88. Three of our esteemed colleagues have recommended the removal of the boycott of Councils from the non-co-operation programme. We regret we cannot agree to this conclusion. After the committee's tour was concluded, at its sitting at Patna on the 16th August there was a full consultation among the members and resolutions were recorded on the various points at issue and on this question of entry into Councils all the members except one recorded their opinion against any change in the existing programme. But on the 7th October, when the committee met at Delhi to pass their report to the All-India Congress Committee, it transpired that two of the members had reconsidered their position, and that the committee was equally divided over this question. Hence it has become necessary for us to record our views separately. We have not had the advantage of perusing the portion of the report recording the opinion of our esteemed colleagues which is in the course of preparation, though they have explained their main reasons and conclusions orally to us.

#### ENTRY INTO COUNCILS A RETROGRESSION.

89. The proposal of entry into the Councils, in whatever form, involves a distinct violation of the principle of Non-co-operation

and a clear departure from the policy of the Congress which was inaugurated in the Calcutta Special Session and was re-affirmed at Nagpur and Ahmedabad. The striking success which attended the carrying out of this part of the Non-Co-operation programme throughout the country has already been described in Chapter IV. It is in our opinion a very unwise policy to abandon this item of the Non-Co-operation programme instead of devising suitable measures to bring about even more striking results in the ensuing elections. The Legislative Councils are the institutions on which the Government chiefly relies for its strength and prestige. To enter the Councils now would be a retrogression in the policy of the Congress, and would enable Government to regain its lost prestige.

"Not the least encouraging sign of the present situation," said Sir George Lloyd, the Governor of Bombay, in his address to his Legislative Council on the 21st September last, "is the fact that in several parts of the country some of those political groups who were once adherents of the non co-operation programme and of the boycott of the machinery of responsible Government are now, if rumour speaks truly, coming round to a view favourable to the Councils and have decided in future to prosecute their political aims through the constitutional machinery expressly set up for that purpose. This is a distinct step in advance and is itself a valuable testimony to the ever increasing prestige of the Reformed Councils."

On the other hand, the effect of the proposal on the people is well brought out in the evidence of Mr. Santanam :—

HAKIMJI—Q. Does your Committee think it useful to go into the Councils ?

A. We have not discussed the question in the Committee. I think the very discussing of the question will be harmful to our country and to non-co-operation.

Q. What is the harm ?

A. The people will begin to think that our movement has failed. And this will be a blot on our movement. If we discuss going into the Councils, then there is no need of non-co-operation.

Pandit Harkaran Nath Misra is of the same opinion, —

HAKIMJI—Q. Do you think going into the Councils will have a very bad effect on the public mind ?

A. Certainly.

Dr. Pattabhi Sitarammayya (Andhra)'s opinion is seen below, —

A. I am convinced that the Government will not be brought to its knees through the Councils. Deadlock will fail. We know what weapons Government have.

PANDITJI—Q. You say that even if the Congress were to pass a resolution permitting entry into Councils, public opinion would not support it ?

A. They would simply view it as a fall of the Congress and failure of Non-co-operation.

Q.—Even if Mahatma Gandhi himself were to put it before them ?

A.—They would still consider that non-co-operation has failed.

### COUNTRY GENERALLY AGAINST ENTRY

90. Throughout the country in our tour it was clearly brought home to us that public opinion was strongly against any change in the Congress programme of boycott of Councils. Even in Poona, Nagpur and Akola, Maharashtra leaders who were in favour of entry into Councils admitted that their proposal would receive very little support in public meetings. In the evidence which has been adduced before this Committee the witnesses who gave evidence on the subject are classified in the following manner :—

	Number of witnesses.
Against entry into Councils ... ..	302
Against entry into Councils but for contesting elections ...	1
For entry into Councils only if Fatwa is revoked ...	3
For entry into Councils if civil disobedience is abandoned or not launched for the present ... ..	5
For removal of ban and making entry optional ...	7
For entry into Councils with Congress mandate ...	23
For entry into Councils with majority only ...	18
For entry into Councils even in a minority ...	11
For entry into Councils for total obstruction ...	15
For entry into Councils for responsive co-operation ...	36
For entry into Councils for utilizing Councils as they are...	36
For entry into Councils and running elections by Congress	4
For entry into Councils and running elections by individual effort ... ..	1
For entry into Councils for responsive non-co-operation ...	3

It will be seen that witnesses who are against entry into the Councils form an overwhelming majority. Taken by provinces, in seventeen the majority of witnesses are overwhelmingly against entry into councils, while only in two, the opposite view is supported by a small majority. There is no-doubt that the country generally is against entry into the Councils.

### NEGLECTIBLE NUMBER FOR TOTAL OBSTRUCTION

91. With reference to the objection that entry into Councils will be a violation of the policy and principle of non co-operation, our colleagues maintain that their proposal is not open to that charge, as they would go into the Councils with the sole object of wrecking the reforms, strictly ruling out all minor benefits. Their proposal is to recommend to the All-India Congress Committee that "the time has come to carry the fight into the councils on lines of strict Non-co-operation, viz., for the purpose of wrecking the reforms. This they propose to achieve by a total obstruction." This very proposal was fully discussed at the Special Session of

the Congress held at Calcutta in September 1920 and was rejected. Of the witnesses examined by us, who favour entry into councils, only 15 are for total obstruction, the rest would utilise the Councils in some way or other. It is needless to emphasise the fact that the proposal of our colleagues stands shorn of support from all but an extremely negligible number of Congressmen in the country, and is very different from the position taken up by the leaders like Messrs. Kelkar, Aney and others who have been agitating for the removal of the boycott of councils for sometime past. Dr. Moonje (Nagpur) stated that he is not for a policy of total obstruction at once but would have mandates from Congress from time to time. He would vote with the Government for beneficial measures :—

MR. S. KASTURI RANGA IYENGAR—Q.—You said you have no objection to Ministers being appointed from among the non-co-operation party in the Councils?

DR. MOONJE—A.—Not only have I no objection, but I would wish that they should be selected from our party.

Q.—But the Minister is expected to co-operate with the Executive Government in many respects?

A.—He may co-operate so long as he obeys the Congress mandate. There is no harm in that.

Mr. Abhyankar (Nagpur) also would not obstruct all measures of Government but only the harmful ones.

Mr. Kelkar (Poona) leaves the same impression in his answers.

PANDITJI—Q.—Do you wish to go into the Councils to co-operate or non-co-operate?

MR. KELKAR—A.—To non-co-operate in the sense of resisting whenever possible. If it is a beneficial measure I would not oppose it.

#### EVIDENCE OF PRO-COUNCIL WITNESSES

The evidence of Mr. A. Rangaswami Iyengar (Madras), Mr. Ram Das (Andhra) and Mr. Satyamurti (Madras) is also of the same character.

PANDITJI—Q.—But the whole question and the principal reason for not going into the Councils is that you will, by entering the Councils, be frittering away your energies on side issues and little things, and lose sight of the real objective.

MR. RANGASWAMI IYENGAR—A.—My own feeling is that by doing these little things in the Councils, we will be very much assisted in the Congress work than otherwise.

MR. C. RAJAGOPALACHARIAR—Q.—I am asking you what you will recommend me to do if I stand for a seat in the Council. Am I to move proposals in connection with subjects such as education and land revenue?

A.—In so far as they are intended to carry out the Congress programme and for the removal of injustice.

Q.—If good measures are brought by Government and are opposed on account of party or vested interests, shall we strengthen the hands of Government?

A.—We ought to support the Government in preventing the evil.

Q.—We should not take up an attitude of total obstruction?

A.—No.



Mr. V. Ram Das's (Andhra) opinion is that "people should not go into the Councils for the purpose of creating a deadlock. My view is that Congressmen who enter into the Councils should not defeat the reform scheme but should work it..... I will help the Government if they want to pass any good measure. I will oppose, if they are going to pass any bad measure."

Mr. Satyamurti :—

MR. RAJAGOPALACHARIAR—Q.—I believe you are out for total obstruction ?

MR. SATYAMURTI—A.—I shall be for anything which lead us to Swarajya. I do not decide.

Q.—I wish to know whether anything more can be done by way of pledges or mandates ?

A.—I think they degrade humanity. It really promotes hypocrisy. I am not in favour of Congress mandates or pledges from the Council candidate.

MR. KASTURI RANGA IYENGAR—Q...You will take up whatever measure you consider necessary in order to attain Swarajya, irrespective of the principles of non-co-operation ?

A.—Yes.

In contrast with these statements, our colleagues hold that "they would on no account whatever modify the totality of the obstruction by any compromise in the shape of responsive co-operation or responsive non-co-operation."

### CHANCES OF MAJORITY REMOTE

93. Notwithstanding the preponderating opinion of the Congressmen to the contrary, our colleagues hold that a lead must be given to the country in the direction of the entry into Councils. We cannot agree with them that it is proper thus to brush aside the opinion of the vast body of Congress workers and of the country at large. It involves at the very outset a diversion of the public attention and energy from the constructive programme to a campaign of converting the vast body of Congressmen to the new programme. The strong and overwhelming testimony of Congressmen is also important to show that if the proposal recommended by our colleagues is adopted, the chances are remote for obtaining such a majority at the elections as is one of the essential conditions of the success of the scheme. The constitution of seats in the Legislative Council with its class, communal and special interests, renders it absolutely impossible to secure a majority sufficient to create deadlocks in the manner contemplated. Moreover even if the non-co-operators succeed in getting into the Councils in large numbers it is highly impracticable to obtaining Congress mandates with reference to their action in the Councils and to secure effective discipline. We should not forget the words of Lala Lajpat Rai in his speech at the special Session of the Congress at Calcutta :—

"There is a great deal of force in what Mahatma Gandhi said that in all these Councils there was an insidious poison which might demoralise our men who go to these Councils. There is a great deal of absolute truth in this. I know from actual experience that many of my noble friends, whose patriotism I do not dispute, whose high motives I have no reason to question, have had their patriotism and their nationalism poisoned by going to these Councils."

The following extracts from the evidence will illustrate the difficulties referred to above :—

**PANDIT HARKARAN NATH MISRA (U. P.)**

**PANDITJI—Q.**—On principle you are against going into the Councils. From the practical point of view, principle apart, do you think that the only conditions upon which non-co-operators may enter the Councils are most difficult if not impossible to be performed ?

**A.**—Yes— This is it.

**EMINENT LEADERS DISQUALIFIED**

94. A large number of non-co-operators including the most eminent leaders, Mahatma Gandhi, the Ali Brothers, Lala Lajpat Rai, Maulana Abdul Kalam Azad, Mr. Yakub Hasan, Maulana Abdul Majeed Sharar, Pandit Santanam, Mr. Jitendra Lal Banerji, Mr. Shyam Sundar Chakravarty, Mr. George Joseph, Mr. Jawaharlal Nehru, Mr. Krishna Prasad Sen Gupta, Mr. Purshottamdas Tandon, Dr. Varadarajulu Naidu, Mr. Shankerlal Banker and many others of our best men—are disqualified under the rules by reason of sentences passed on them. We are of opinion that so long as the rule is maintained it will be inconsistent with self-respect and dignity for non-co operators to think of entering into the Councils. Public opinion in this respect is well reflected in the following extract from the evidence of Babu Rajendra Prasad :—

**PANDITJI—Q.**—We have been fighting for the sake of self-respect. Having regard to the fact that there is disqualification attached to some of the workers because they have been convicted by British Courts and sentenced to periods of imprisonment for over six months, is it consistent with self-respect to go into such Councils and send only such people as are not so disqualified and to submit to the disqualification by sending those who are not disqualified ?

**A.**—It would be cowardice to go, and I use the word for want of a stronger term.

**OATH AND N. C. O. PRINCIPLES VIOLATED**

95. In our opinion entry into the Councils for the avowed purpose of obstructing all measures whether good or bad and of wrecking the reforms is obnoxious to the principle and the spirit of the movement as conceived by its great leader. When the proposal was discussed in 1920 Mahatma Gandhi deprecated it on the ground that it was not a good and honest policy to get entrance into an institution in order to wreck it. Further, every member is required to take the oath of allegiance which includes a solemn promise "faithfully to discharge the duty upon which he is about to enter." No conscientious person can stand for election with the avowed object of wrecking the institution and take such an oath, and except by casuistry or mental reservation can feel justified in adopting such a course. Indiscriminate obstruction will be a manifest violation of the oath, and it should be repellant to every

sincere believer in the basic principles of the non-co-operation movement, which has hitherto been conducted on a high moral plane.

#### ENTRY INTO COUNCILS FUTILE

96. It is needless to state that the powers reserved by the Government under the Act and Rules are sufficient effectively to prevent any deadlocks that may be attempted and to overcome all kinds of obstruction. They can also make further rules to meet such contingencies and to prevent the entry of non-co-operators with the declared object, not of constitutional opposition but of wrecking the very institution. The Government would have no compunction to exercise its power in all these respects. It has been expressly declared at the time of the passing of the Act that the exercise of such powers should not be deemed abnormal. It is contended that to force the Government to exercise such powers and to reduce the administration to naked Civil Service rule would expose the real character of the Government and further the ends of non-co-operation. We may, however, point out that the Government can well maintain that they have no other course open to them to meet the extraordinary situation created by us. We should not be understood to say that it is wrong or immoral to wreck the reform scheme or the institution created thereunder. One of the objects of the non co-operation movement is to attain this very end ; but it should be achieved from outside and by our own efforts and not by the tortuous method proposed. The scheme appears to us futile and an unworthy expedient to be adopted by our great National Assembly for the attainment of Swaraj.

#### FAILURE OF DIARCHY ALREADY PROVED

97. Where is the need for the non-co-operators to exert their energies to enter the Councils, in order to wreck the Reforms when they already stand exploded ? It has been abundantly shown during the last two years that the diarchical system is a complete failure and that the bureaucracy is still all-powerful. Men of all shades of political thought are now agreed upon this view. There cannot be a clearer admission than that of Sir Valentine Chirol's recent statement in the *Times*, that the reforms "have been largely nullified by the dishonest evasions to which recourse was had after the repression of the Punjab Troubles of 1919."

#### CONSTRUCTIVE PROGRAMME

98. The constructive programme of the Congress has received insufficient attention and requires intensive effort, especially on the part of the leaders, to bring up the country to the level of preparedness for undertaking civil disobedience. A campaign of

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entry into Councils at the present time would have the certain effect of relegating the constructive programme to the cold shade of neglect.

### RESPONSIVE CO-OPERATION

99. We have so far dealt with only the proposal suggested by our colleagues, of entering the Councils with the idea of total obstruction. We have not referred to the proposals of responsive co-operation put forward by the majority of those who advocate the removal of the boycott of the Councils.

We are of opinion that they are all opposed to the principle of non-co-operation and involve the supposition that the movement has failed in its objective. This is a gross misreading of the situation. On the other hand, all that we saw during our tour has convinced us that within the short time it has been in operation the movement has obtained a firm hold among all classes of people throughout the country, that there is no lack of enthusiasm or willingness to sacrifice, and that they were already recovering from the effects of the general repression and the arrest and incarceration of their beloved and saintly leader. In our opinion the requirements of the situation are that the leaders should earnestly and vigorously take up the working of the constructive programme even as Mahatmaji would have done if he had been with us, without diverting public attention and energy of Congress workers by new proposals or reviving discarded schemes.

We feel that schemes of obstruction and deadlocks will in course of time degenerate into ordinary co-operation. The process of grading off is already indicated in the trend of thought of some of the witnesses who gave evidence in support of entry into councils.

We cannot but express our apprehension that if the proposals are accepted the Congress will become of secondary importance and the electioneering organisations which will be brought into existence will assume undue importance. This transfer of prestige will be fatal to the national cause.

### BAD BLOOD

100. The building up of national solidarity, the conservation of resources, and the prevention of strife and discord are the need of the hour. Embroilment of the non-co-operators in the elections is sure to breed strife in their own ranks as well as with other classes of our countrymen. Inter-communal jealousies will be created and fomented, and the bad feelings engendered by the elections are likely to affect prejudicially the more solid and enduring constructive work which awaits the earnest attention of the Congressmen. Whether with the object of wrecking the Reforms or working

them for what they are worth, the entry of the non-co-operators into the Councils is an undesirable step at the present stage of the non-co-operation movement. As the evidence before the Committee has disclosed, the feeling in the country against it is very strong. The following extract from the evidence of Babu Rajendra Prasad (Bihar) represents the opinion of the vast majority of non-co-operators :—

Q.—With regard to entry into the Councils you state your opinion that it is impossible to further the constructive programme through the Councils. Apart from that what would be the effect of a change in the programme in your opinion in that respect, supposing we pass a resolution in the All-India Congress Committee allowing entry into the Councils. And if that part of the Congress resolution is modified, what would be the effect of such a modification on the general body of Congressmen, in your opinion ?

A.—I think it will have demoralising effect upon the general body.

Q.—How ? Please explain.

A.—In this way. We have been preaching against the Councils for these nearly two years, and now it is not like the case of schools where you can keep quiet, but if you want to go into the councils, we have to preach to that effect, and inconsistency in the two positions will be so marked and apparent that it will have a bad effect on the masses and also on the general public.

Q.—It will have a bad effect. Do I understand you to say we will lose their confidence ? What bad effects ?

A.—That will also be one of the effects.

Q.—Supposing we take great pains to explain to the people that for such and such a reason we have to change the programme, suppose we take a lot of trouble over that, can they get over it ?

A.—I believe it will not be possible to educate the public to that extent. At any rate not in the near future.

Q.—Then what is your view ? Forget all this. Supposing the public will not be demoralised—don't allow yourself to be influenced by this view but answer independently—what is your view as to whether our Congress organisations, our local and district organisations, should take part in the elections if we allow entry into the Councils put up candidates running about to get votes &c to bring the voters to polling booths and so on, what is your view as to that ?

A.—If I can take the analogy of Municipal boards I think the running of candidates on behalf of the Congress will create BAD BLOOD among the workers and also among the masses.

Q.—You said, taking the analogy,—you mean to say your experience as to what has been permitted about candidates for the Municipal Councils leads you to this conclusion ?

A.—Yes, that is my experience RE Municipalities. In the Municipalities some people have failed, others succeeded. There has been bad blood. In one or two places the Congress Committee have tried for election of candidates for Municipalities. In Bungalpore it has succeeded and is going on very well. In Mirzapore it has failed.

Q.—That is to say it comes a personal matter ?

A.—Yes.

Q.—On account of personal matters, questions arise and create bad blood ?

A.—Yes.

Q.—So your view, even if such a thing is allowed, is that the running of candidates, canvassing &c. should be kept out of Congress organisations ?

A.—Yes.

Q. I assume for the purpose you would not stand for the councils?

A. I would not.

Q. Yet some other friends might stand if the Congress permits, and if the Congress organisations also are allowed to take part in the elections, what would your attitude be in the Congress Committee? Would you spend Congress funds for this purpose?

A. I would not like to vote money for this expenditure.

Q. Would you like to serve on such Committees? Suppose a sub-committee is appointed for running candidates you would not like to serve?

A. I would keep out of it personally. I would not like to serve.

Q. Your own view is in this way many difficulties would arise by working such a programme?

A. Many difficulties would arise. For example in the case of Municipal candidates there are differences among the candidates themselves, the Congress organisation was not strong enough always to get its own candidates elected, and that led to friction with other people which hampered Congress work. I mean the work of the organisation. In the case of the councils I think this will become intensified.

Q. Would the work of enrolling members, collections for the Tilak Swaraj Fund, etc. suffer by this?

A. Tilak Swaraj Fund collections would certainly suffer.

Q. Among the Congress Volunteers and workers will there be intense difference of opinion in this matter?

A. There may be with regard to particular candidates. In a particular constituency the Congress organisations may like to run a particular candidate, whereas the local workers might not like the candidate and there would be difference between the workers and the Congress Committee.

Q. On the whole your opinion is against this?

A. Yes.

### CONSOLIDATION OF NATIONAL FORCES.

101. The political salvation of the people lies in different channels from those which have been established by an alien Government. The contest is a most unequal one between the non-co-operator and the Government if conducted in the legislative councils as at present constituted. We feel that any change of our programme is most inopportune at the present juncture when Government is feeling acutely its moral defeat. What is required at this moment is consolidation of national forces through the constructive programme and not controversial proposals leading to disintegration and disunion.

### MAHATMAJI'S WORDS.

102. In conclusion, we wish to draw attention to the memorable speech delivered by Mahatma Gandhi at the Calcutta Special Congress in September 1920 in his final reply to the criticisms levelled by Pandit Malaviya, Mr. C. R. Das, Mr. Jinnah and others.

"I have come to the final pivot, viz., boycott of Councils. I must confess that I have not yet heard a single argument in favour of going to Councils. All the arguments that have up to now been advanced are: seeing that we have done something through these Councils during 35 years, seeing that the reformed Council is really in response to our agitations (which I admit,) we may be able

by going to the Councils, to paralyse the Government or the administration as the case may be. In my humble opinion, as a student of English History, I have found, and it is a practical maxim adopted in English public life, that every institution thrives on obstruction.

"It is my firm opinion that the services the public men want to render can be rendered better outside the Councils rather than inside.

"What is the secret of the great power of the late Lokamanya in the country? Do you suppose that if he had gone to the Council he would have exercised that power over the millions of India?

"What do these Councils mean? The simple test I will venture to present to you and the leaders is the two wrongs that we are come to consider—the Khilafat and the Punjab. Do you believe that by going to Council and engaging in the debates there you can produce a direct impression upon the British Ministers and secure a revision of the Turkish terms and repentance on account of the Punjab affairs? ..... There are many other points, but I would reiterate two things. The public will not understand our fine distinctions. It will mean that non-co-operation must commence at the top, viz., in a body mis-called a representative body, namely, the Reformed Council, and if the best mind of the country refuses to associate with the Government even as the obstructionist, I promise that the Government's eye will be opened. The condition is that those who refrain will not go to sleep, but move from one end of the country to the other end, bring every grievance to the notice, not of the Government, but of the public. And if my programme is carried out, the Congress will be going from year to year and give public expression to those grievances, so that the volume of wrong ever increasing as it rolls, will inflame the great nation to harbour, to conserve, all its anger and its heat and transmute it into an irresistible energy."

M. A. Ansari.

C. Rajagopalachariar.

S. Kasturi Ranga Iyengar.

Allahabad,

17th October, 1922

## CHAPTER VI.

### PART II

*Views of Hakim Ajmal Khan, Pandit Motilal Nehru and  
Syt. V. J. Patel*

#### REGRETTABLE ABSENCE OF UNANIMITY

103. We join our colleagues Syts. Kasturi Ranga Iyengar, M. A. Ansari and Rajagopalachari in expressing our deep regret that it has not been possible to reach unanimity among the members on the important subject of running elections and entry into the

Legislative Councils. On account of the unavoidable absence of Syt. Rajagopalachariar owing to ill-health from the earlier stages of the conference of members and that of Hakim Ajmal Khan and Dr. Ansari owing to the important Khilafat meetings at Delhi from the later stages, these latter have not been able to meet the former for a final exchange of opinions. But the question has been thoroughly discussed first between all the members other than Syt. Rajagopalachariar and then between Syt. Kasturi Ranga Iyengar and Syt. Rajagopalachariar as representing one view, and Syts. V. J. Patel and Motilal Nehru as representing the other view.

After a thorough discussion of the whole matter in all its bearings we regret we find ourselves unable to subscribe to the opinion of our learned colleagues and have to record our views separately.

#### PRELIMINARY CONSIDERATION OF GENERAL LINES

104. It is a sound and well understood rule to treat as confidential the discussions held by the members of committees of enquiry among themselves with a view to arrive at an agreement as to what their report is going to be. This is essential for a free discussion of the subject which the members are expected to approach with open minds, eager to convince and ready to be convinced. Much as we wished to adhere to this wholesome rule and avoid any reference to the various stages of the consultations among ourselves, we are constrained by the refusal of our dissenting colleagues to expunge the first paragraph from their note (para 103 *ante*) to say a word of explanation. It is impossible for us to understand the object of their insistence on the retention of that paragraph, but if it is meant to show that we are going behind our settled convictions we refuse to plead guilty to the charge. We did not expect that the rough lines settled at the preliminary meeting of the members at Patna for the first draft of the report would be dignified into "resolutions" of the Committee. It is only necessary to refer to the course which our deliberations subsequently took to show that at least two of our dissenting colleagues took the same view. The idea that our entry into the Councils while many of our distinguished patriots and devoted workers were in *duress vile*, had an important bearing on the larger issue of national self-respect and did not occur to the Committee till the very last stage of its sitting at Patna, where one of the members for the first time put a question to Babu Rajendra Prasad about it on the 15th August. The question and its answer have been quoted and relied upon by our dissenting colleagues (See page 77 *ante*.) The first consultation to settle the broad lines of the report was held the next day and the same member laid great stress



on the point informing his colleagues that he had given it much anxious thought but was not at all sure as to the correct attitude to be adopted. The point was duly noted among others and Dr. Ansari was requested to prepare a draft of the report. The members then dispersed.

### THE FIRST CHANGE

105. On the 18th August the same member chanced to meet Dr. Ansari while travelling and communicated to him further considerations on the subject. It was eventually agreed that no definite recommendation should for the present be made by the Committee in regard to the whole question of the entry of Non-co-operators into the Councils, provided the Chairman approved of that course. As the first draft was supposed merely to afford a basis for discussion, the other members were not informed of the new suggestion. Hakim Ajmal Khan having agreed, Dr. Ansari, to whose unremitting labours throughout the enquiry in spite of indifferent health the other members of this Committee are deeply indebted, dealt with the point in his draft in the following words :—

*"Boycott of councils.* As stated above, there are four sets of views regarding this question, placed before the Committee—one, the majority view is against going into the Councils, the other three for entry into the Councils or standing for elections. The Committee feels unable to enter into the question so long as those leaders and workers who have gone to jail in the cause of the country are not released and the disabilities against them are not completely removed. It would be against national self-respect and disloyalty to the cause and to those noble and self-sacrificing leaders and workers to entertain this question in their absence."

### ACCEPTED BY ALL BUT ABSENT MEMBERS

106. Typed copies of this draft were given to all the members on the 31st August, except Srijut Rajagopalachariar who was unable to attend the Calcutta meeting owing to ill-health. The committee met on the 1st September in Calcutta. Various points were discussed and it was agreed that Pandit Motilal Nehru should prepare a new draft." No objection was taken by Srijut Kasturi Ranga Iyengar to the paragraph quoted above. This was the first modification by which the "resolution" against entry into the Councils was altered into a positive refusal to go into the question at all in the absence of our friends in the gaol.

### THE FINAL CHANGE

107. After this the three members who support the policy of total obstruction had the opportunity to meet at Amritsar on the

17th and 18th September. Srijut Patel was from the beginning in favour of the policy. Hakim Ajmal Khan and Pandit Motilal Nehru had, in the interval independently of each other after a most earnest consideration of the whole question, come to the conclusion that the only fitting answer to the Government for its uncontrolled repression and the only effective means to save the constructive work from coming to a standstill was to smash the Councils and thus it was that these three members agreed to face the situation created by the Government instead of shirking the question.

We cannot leave this point without expressing our gratitude to our dissenting colleagues for having given us the opportunity to explain the working of our minds from time to time. It will enable the members of the All-India Committee to test the mental process which has irresistibly led us to the conclusions set out in this part of our report. We shall now go into the merits of the question which we are confident will be considered by the All-India Committee quite independently of adventitious circumstances.

#### (A) PRELIMINARY

108. The very thought of Councils is repugnant to many a non-co-operator and rightly too. Nothing is more dignified, more consistent at this stage than civil disobedience. Had we found the country prepared to embark upon general mass civil disobedience or individual civil disobedience on a large scale we would not have entertained any proposal regarding modification in the boycott of Councils in its present form, whatever our feelings in the matter. We cannot run away from the grim realities of the situation, the experience of the last year and a half has brought to light. Facts must be faced. The tactics and policies of the Congress from time to time must necessarily be such as are best calculated to ensure success. They must be shaped to meet the special conditions of each period and must change with the change of conditions. Political tactics are never immutable.

#### PRINCIPLE ADOPTED BY MAHATMAJI

No one realised the force of this more than Mahatma Gandhi did. He was ever watchful and never slow to adjust the national programme to varying circumstances. At times he quietly changed the entire phase of the movement when in his judgment circumstances of the moment called for such a change. This he did at the risk of being called an autocrat. We quote below an extract from Mahatmaji's article in "*Young India*" of 2nd March 1922 :—

"I have carefully read Mr. Kelkar's article in the "*Maharatta*" criticising the Bardoli resolutions. I acknowledge the gentle and considerate manner with which he has handled me. I wish I could persuade him and many who think

like Mr. Kalkar that what he calls a somersault was an inevitable operation. Consistency is a desirable quality, but it becomes a "hobgoblin" when it refuses to see facts. I have known dispositions of armies changed from hour to hour. Once during the Zulu revolt we were all asleep. We had definite orders from the morrow. But suddenly at about midnight we were awakened and ordered to retire behind bags of grain which served as protecting walls because the army was reported to be creeping up the hill on which we had encamped. In another hour it was understood that it was a false alarm and we were permitted to retire to our tents. All the somersaults were necessary changes. Remedies vary with the variation in diagnosis. The same physician detects malaria and gives a large dose of quinine, detects typhoid the next and later detects consumption and orders change and solid food. Is the physician capricious or cautious and honest?"

### SWEEPING CHANGES EFFECTED

109. Examine the progress of the events from time to time and compare where we were in 1919 with where we are to-day. In March 1919 Mahatma Gandhi gave to India and the world his noble conception of Satyagrah. After the disturbances of April he unhesitatingly admitted that he had misjudged the readiness of the people to wield such a mighty weapon. At the Amritsar Congress he earnestly pleaded for co-operation with Government in the Councils and outside, and warmly thanked Mr. Montagu for the Reforms such as they were—Satyagrah to co-operation, from one pole to the other, all in the brief space of 8 months. After another three months he began to a march back from Co-operation. Six months more of mature consideration and non-co-operation including the boycott of Councils became the accepted creed of the Congress at Calcutta. It was then a movement to bring about a general strike, a national strike, a hands-off movement. After a year's working it was thought that the atmosphere then created called for a vital change in tactics and in November last year, the non-co-operation movement was by a resolution of the All-India Congress Committee extended to include 'civil disobedience'—a civil revolt, a peaceful rebellion. The two movements are radically different in character as was made clearly by Mahatmaji in the Khilafat resolution of July 1920 (*Young India*, dated 21st July 1920) and again in the course of his interview to the representative of the *Madras Mail* (*Young India*, dated 18th August 1920) and yet without any authorisation by the Congress in that behalf the change was effected. The Ahmedabad Congress put its seal on this change and laid down that "civil disobedience is the only civilised and effective substitute for armed rebellion." The country was asked to suspend all other activities and concentrate on civil disobedience. Then at Bardoli by one stroke of the pen, the country was asked to suspend all aggressive activities and concentrate on the constructive programme. The resolution of the Ahmedabad Congress was thus suspended by

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the decision of the Working Committee which met at Bardoli under the advice of Mahatma Gandhi. Sweeping changes like these Mahatma Gandhi alone could introduce and if we now decline even to entertain proposals to adjust our programme to the new situation, we would be doing violence to the elementary principles of political warfare. It is in the light of these observations and because we feel that the final battle by means of mass civil disobedience or individual civil disobedience on a large scale is not yet that we venture to examine the proposed changes on their merits. We must not be taken to mention these great changes in a cavilling spirit. On the contrary we look on them as sound tactics suited to the altered circumstances which faced Mahatmaji from time to time.

### THE ORIGINAL PLAN

110. Just about the time of the last Council elections, Mahatma Gandhi laid before the country the possibility of getting Swarajya in one year. Those who had strenuously fought against the boycott of Councils and been defeated were soon reconciled to it, firstly because of their sense of loyalty to the National Assembly, and secondly because it was thought desirable and necessary in view of Mahatmaji's declaration of Swarajya within a year, to concentrate all the national forces on working out the non-cooperation programme. The Nationalists, therefore, immediately withdrew their candidatures for the Councils and wholeheartedly devoted themselves to the working out of the non-cooperation programme. With a year's programme the Triple Boycott was regarded as justifiable, and all leaders not only ceased criticising the boycott but vied with one another in making it a success. All differences were put aside for the time being and work was carried on in right earnest with a view to secure Swarajya and speedy redress of the Khilafat and Punjab wrongs. It was repeatedly declared that we were in a state of war and we spent the year with our knapsacks on our backs.

### MAHATMAJI'S EXPECTATIONS

111. If the Boycott of Councils had been complete and Indians had refused to take their seats there, there can be little doubt that Government would have come to its senses. The alternative before the Government then would have been nothing but despotic rule, pure and simple. That might have meant military dictatorship. But world opinion has advanced so far that Britain dare not contemplate such dictatorship with equanimity. It was such a boycott that Mahatmaji hoped to bring about. He relied upon the wholesale abstention of voters from voting and on the sense of self-respect

of the Moderates. In one of his public speeches prior to the Calcutta Congress he is reported to have observed :—

‘I know there is strong opposition to the boycott of Councils. The opposition when you begin to analyse it means not that the step is faulty or that it is not likely to succeed, but is due to the belief that the whole country will not respond to it and that the Moderates will steal into the Councils. I ask citizens of Mangalore to dispel that fear from your hearts. United, the votes of Mangalore can make it impossible for either a Moderate or an Extremist or any other form of leader to enter the Council as your representative.’

Again writing on the Council Boycott in the *“Young India”* of 14th July 1920, Mahatmaji said :—

‘We are now face to face with the reality. Will a single Moderate leader care to enter any Council if more than half his electorate disapproved of his offering himself as a candidate at all? I hold that it would be unconstitutional for him to do so because he will not represent his constituency. Boycott contemplated by me pre-supposes a most active discipline and watchful propaganda and it is based on the assumption that the electors themselves will prefer complete to an incomplete boycott in the form of obstruction.’

We have failed to bring about such complete boycott. The Nationalists being out of the way, it was a walk-over for the Moderates and they took full advantage of the opportunity to fill the Councils. Mahatmaji did not yet give up hope. He thought no self-respecting member could retain his seat if the great bulk of his constituency did not want him to represent them. He therefore got the Nagpur Congress to adopt a resolution expressing the hope that

‘Those who had allowed themselves to be elected in spite of the deliberate abstention from the polls of an overwhelming majority of their constituents will see their way to resign their seats in the Councils.’

All over the country meetings, conferences and at some places special voters’ conferences were held calling upon the Councillors to resign. All in vain. But true to his greatness and goodness, Mahatmaji did not despair of the Moderates. In the crisis of November-December when thousands of our workers were being sent to jail, including some of the topmost leaders, hopes were entertained that the Moderates would then rise to the occasion. It was not realised that most of them had directly or indirectly given their support to the repressive policy of the Government. Again when Mahatmaji himself was arrested and convicted the Councillors remained unmoved and indications are not wanting to show that some of the leading lights of the moderate party had a hand in his prosecution. Then very recently came the plain talk of Mr. Lloyd George revealing the hollowness of the pronouncement of 20th August 1917 and assuring the Civil Service that reforms or no reforms they would remain the true arbiters of India’s destiny for all time to come. There was a storm in a tea-pot in the Moderate

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camp but it subsided after a feeble resolution in the Council  
protesting against that speech.

### THE LESSON OF EXPERIENCE

112. It will thus be seen that the position in which we now find ourselves is materially different to that we occupied at the commencement of the campaign and during its earlier stages. Times have now changed. Circumstances have altered. The period of the struggle is indefinitely prolonged. The boycott of Courts, Schools and Colleges has been relaxed by Mahatmaji at Bardoli. The question of Councils was not then a live issue. We have since passed through further vicissitudes and are now in a position to take stock of the situation. We must therefore adjust our programme accordingly. We are bound to recognise that the Legislature have it in their power to render pleasant or unpleasant, easy or burdensome, the position of a non-co-operator. The Council may not be an assembly, we readily grant, which can be used by itself for the overthrow of the existing system but as long as the system remains, it would be unwise not to recognise the possibilities for evil if not for good of a "representative house." Assuming that the Council cannot do any good, it cannot be denied that it can and is doing immense harm. Apart from the support, direct or indirect, the Moderates have given to the repressive policy of the Government and the imposition of fresh taxation, their very entry in the Councils for co operation with government is harmful. It is obvious that if they had stood by the country during the November-December crisis the struggle would have assumed a different aspect. We know that they are not the representatives of the people, but we also know that they pose and are represented to the outside world by Government as such. It is abundantly clear that Councils have in the name of law and order strengthened the hands of the Government in repressing the non-co-operation movement.

### STAGES OF NON CO OPERATION

113. It will be evident from what we have stated above that according to our reading of the situation we have now passed through the first and entered upon the second stage of non-co-operation. The first ended with the Bardoli decisions and the arrest and imprisonment of Mahatma. Gandhi and the second commenced with the triumph of non-violence during the succeeding months. In the previous Chapters we have fully dealt with the great achievements of the movement and may be allowed to add here that we yield to none in our unstinted admiration of the great originator of the movement or of the high ideals as set before the nation. We cannot,

however, shut our eyes to what we see around us. That our success has been remarkable our enemies are forced to admit but that we have also had failures our best friends cannot deny. We have already shown that in this very matter of the Councils we can claim success only to the extent that a very large proportion of the voters abstained from the polls, but the keeping of the Council Chambers empty which was the real object in view was not only not achieved but was virtually defeated by the entry of the very persons who ought not to have been there. We did indeed non-co-operate but at the same time made the co-operation of others easy. We rested on our oars after leading half through the course and allowed those behind to overtake and pass us. Shall we repeat the same experiment? We submit it will be suicidal to do so.

### (B) THE PROPOSALS

114. Before we proceed further it is necessary to state what our proposals are. It is not correct to say that they amount to a removal of the boycott of Councils as our esteemed colleagues have described them. On the contrary we maintain as we have already made clear that they constitute the best and the most effective method of boycotting the Councils. Our proposals are :—

That the Congress and the Khilafat at their Gaya Sessions should declare that in view of the fact that the working of the Legislative Councils during their first term has, besides proving a great obstacle to the redress of the Khilafat and Punjab wrongs and the speedy attainment of Swarajya, caused great misery and hardship to the people, it is desirable that the following steps should be taken in strict accordance with the principle of non-violent non-co-operation to avoid the recurrence of the evil :—

1. Non-co-operators should contest the elections on the issue of the redress of Punjab and Khilafat wrongs and immediate Swarajya and make every endeavour to be returned in a majority.

2. If the non-co-operators are returned in a majority large enough to prevent a quorum they should after taking their seats leave the Council Chamber in a body and take no part in the proceedings for the rest term. They should attend the Council occasionally only for the purpose of preventing vacancies.

3. If Non-Co-operators are returned in a majority but not large enough to prevent a quorum they should oppose every measure of the Government including the budget and only move resolutions for the redress of the aforesaid wrongs and the immediate attainment of Swarajya.

4. If the Non-Co-operators are returned in a minority they should act as pointed out in No. 2 and thus materially reduce the strength of the Council.

As the new Councils will not assemble till January 1924 we further propose that the Congress Session of 1923 be held during the first insted of the last week of December and the matter be again brought up for the issue of a final mandate by the Congress in view of the results of the election.

It will be seen that the above proposals constitute two distinct parts, the first relating to election and the second to the policy and procedure to be adopted after actually entering into the Councils.

We shall take each of these parts separately and show that it does not militate against the principles of non-co-operation and is in every way calculated to promote the objects of the movement.

### (C) THE ELECTIONS

115. As we have already shown the Councils cannot possibly be kept empty without keeping out the co-operators and these cannot be kept out unless they are defeated at the elections by the non-co-operators. Assuming without admitting that there are difficulties based on the principle and practice of non-co-operation in the way of actually entering into the Councils, we cannot conceive of any in merely contesting the elections and effectually preventing the co-operators from going in. Some witnesses have gone the length of saying that the mere act of going to the electors to seek their suffrage amounts to co-operation with the Government. Prominent among these is Sriyut Vallabhai Patel of Gujarat. He has given no reasons for this opinion apart from the objections he has to the Councils themselves, which we shall consider presently. We confess we see no act of co-operation with the Government in going to our own countrymen to obtain their mandate to put an end to an institution they do not want. If there is any we fail to differentiate it from that involved in going to the Municipal voter for a purpose which is admittedly inseparable from co-operation with the Government. Sriyut Patel is a strong advocate for capturing the District and Local Boards and Municipalities. Going to the voters and asking them to express their disapproval of the Councils by keeping silent and abstaining from the polls is admittedly an act of merit. How it ceases to be so if they are asked to speak out their minds and authorise their representative to say that they do not want the Councils is not at all clear to us. We do not think it necessary to labour the point further and we now deal with the practical side of the question.

### CONSEQUENCES OF ABSTENTION

116. It is necessary in the interests of working the constructive programme itself that non-co-operators should contest council elections. We have to bear in mind that we would be out again for 3 years. It is not difficult to realise the consequences of allowing a free field to the co-operators and the Government of their operations for another 3 years and the effect of their operations on the Congress and the whole national movement. Measures affecting the daily life of the people are being enacted year after year, fresh taxation and huge liabilities are being imposed and will continue to be imposed with the help and in the name of the so-called representatives of the people and *no less violence* the people will have to submit



to them. Under these circumstances it is a question for consideration how far the hold of the Congress over the masses can remain unaffected.

On the occasion of the last Council elections, an overwhelming majority of voters abstained from voting and we rightly claimed that the abstention was the outcome of the Congress resolution in favour of the boycott of Councils and the propaganda in that behalf. The Government on the other hand contended that the abstention on such a large scale was mainly due to ignorance and apathy on the part of the voters and to the fact that it was for the first time that elections of that character were introduced in the country. Suppose the Congress persists in the boycott of Councils in its present form and it is found that a greater percentage of voters record their votes on this occasion our claim would be discredited. We are inclined to believe that the policy of abstention has lost its charm and it is not at all unlikely that a greater percentage of voters will poll at the ensuing elections. In that event the success gained at the last elections will be a thing of the past and the whole movement might be adversely affected.

#### PROPAGANDA

117. There is another aspect of the matter which deserves careful attention. The times of active electoral campaign are peculiarly propitious for the discussion of social, economic, and political theories, and hence they offer an excellent opportunity for the propaganda of the Congress among the broad masses of the people. That opportunity will be largely enhanced if non-co-operation is made one of the direct issues of the campaign. And not only are political campaigns important as mediums of effective propaganda. They are also useful as periodical reviews of the Congress forces. The number of votes which the non-co-operators poll at a general election is a sure gauge of the progress made by the movement among the electorate, and nothing stimulates growth so much as the proof of growth. It is evident that candidates for election to the Councils will have greater facilities for Congress propaganda by their manifestoes and speeches.

#### ALTERATION OF RULES LIKELY

118. There are indications that Government will use all means both fair and unfair to prevent the non-co-operators from getting into the Councils. Neither the Government nor the Moderates want us there. They will naturally join hands and try to make it difficult if not impossible for us to have a majority and any further delay would make our task more difficult. It is also likely, or shall we say more than likely, that once we decide to run elec-

tions, some device by alterations in the regulations or otherwise might be invented to keep us out, or what appears more probable, they might put off the evil day by extending the life of the present Councils. If they thus deliberately keep us out even the pretence of the Councils being representative institutions will disappear and the stupendous fraud will be thoroughly exposed.

We are told that the final election rolls shall be ready by the end of this year. It is necessary to see that manipulations and manoeuvres to keep the non-co-operators and their sympathisers out of the rolls do not succeed. The question of running the elections has therefore got to be decided at once. Early next year a regular campaign will begin and if we decide to contest the elections we should not be late in the field.

#### (D) THE POLICY

119. We have so far dealt with the question of running the elections apart from the issue on which they are to be contested. It is obvious that no election campaign can be effectively carried on without a clear definition of policy and a definite programme being laid before the country. The circumstances under which we are called upon to make our recommendations are however peculiar, and it is not possible to settle the lines of action with any approach to finality at the present stage. Much depends on the attitude of the Government towards the Congress candidates and the movement generally. The result of the elections will in no small measure affect the course of future action. The circumstances in which we are now placed may alter considerably for better or worse during the next 15 months. Our action whether in or out of the Councils will have to be shaped according to developments. While however the actual programme cannot at the present moment be finally laid down, it is essential that the broad outlines of policy should be sufficiently defined to put the attitude of the Congress towards the Councils clearly before the various constituencies so that both the voters and the candidates who may be advised to contest the elections may know what is expected of them. This outline of policy can only be determined with reference to existing circumstances with due regard to such developments as it is possible to anticipate. For these reasons it is too early yet to lay down a detailed programme. All that need be said at present is that if conditions do not alter in the meantime we shall enter the councils to end them as they cannot be mended as we would wish them to be. We shall so conduct ourselves that either the administration must be carried on by veto and extraordinary power or the Government must concede our demands. In other words we shall non-co-operate. Hi+ we

tried the negative form of non-co-operation in regard to the Councils and it failed to achieve the desired result in its entirety. We would now try the active form of non-co-operation, that is to say, enter the Councils for actively obstructing and paralysing the Government.

#### PROGRAMME ONLY PROVISIONAL

120. The proposals set out in section (b) of this Part will show the broad variations of policy which the circumstances may from time to time require. The next year will be one of strenuous effort and watchful vigilance which will have the double merit of infusing enthusiasm in our workers and helping forward the constructive programme throughout the country. If we are not allowed to fight the elections on one of the pretexts pointed out above we shall still have gained the two-fold advantage of exposing the "representative" character of the Councils and supplying the necessary impetus for individual civil disobedience which the country lacks at present. All that the Gaya Congress is called upon to sanction is the running of elections on the lines indicated above. The rest of the programme is merely provisional subject to the confirmation of the Congress session of December 1923.

#### CONSTRUCTIVE PROGRAMME TO BE WORKED VIGOROUSLY

121. At the same time the educative work of the Congress must be continued with renewed vigour. The constructive programme should not be neglected. If the Government chooses to disregard the wishes of the people and time after time passes measures or imposes taxes by extraordinary power, the work inside and the work outside the Councils will create a situation most favourable to the starting of the nation-wide movement of non-co-operation including civil disobedience and non-payment of taxes and will evoke an adequate and spontaneous response in the people. Conservation of energy and the keeping up of enthusiasm are the essential requisites which we fear cannot be cultivated by helplessly looking on while our noblest countrymen are being humiliated, persecuted and treated as common felons. It is the measure of the people's strength and determination to oppose injustice and oppression which determines the attitude of the Government and not a meek submission to all its vagaries.

#### (K) ENTRY INTO THE COUNCILS

122. Under this head we propose to consider the evidence of the witnesses and the reasons they give for or against the entry of non-co-operators into the Councils. There is apparently an overwhelming majority numbering 302 who according to their written answers do not favour entry into the Councils as against 163 who

advocate such entry in some form or other. The latter having made definite proposals have been classified under suitable heads. Many of the former have in the course of their oral examination considerably modified their written answers. It being found impossible to classify such modifications under definite heads we have simply given the number of these witnesses in Appendix VII (not printed) with the remark that they support the existing boycott "according to their written answers." This course was adopted with the approval of Sriyut Kasturi Ranga Iyengar and Sriyut Rajagopalachariar, but we find that the words "according to their written answers" are omitted from the copy they have given in their dissenting note. The omission could not be brought to their notice as the note was handed by them to one of us (Pandit Motilal Nehru) as they were leaving Allahabad. It is obviously an oversight.

Having regard to the great labour involved in the classification, as it appears in the Appendix, we do not claim absolute accuracy for it and have in fact found some errors after the tables were in print. We can only express the hope that such errors are not numerous.

#### STRIKING INSTANCES

123. A few examples of how the written answers of the great majority of the 302 witnesses were modified in the oral examination are given below. Babu Rajendra Prasad of Patna, the spokesman of the official witnesses of Behar and a stout champion of the boycott in its present form, gives away the whole principle of non-cooperation in his oral evidence, and might easily be classed with the 36 witnesses who are for entry into the Councils for utilizing them as they are, if he could only be satisfied that the constructive programme could possibly be helped thereby. It is evident that the greater part, if not the whole of that programme, falls under the transferred subjects and can undoubtedly be helped to a very considerable extent if the Minister in charge took some interest in it. That being so the only objection of Babu Rajendra Prasad to an unconditional entry into the Councils even as they are at present constituted is not well founded. The following is an extract from his oral statement :—

Mr. V. J. PATEL—Q.—Are you in favour of capturing the municipalities and local boards ?

BABU RAJENDRA PRASAD—A.—I am in favour of it.

Q.—You take it from me that you have to co-operate with the Government

A.—Yes.

Q.—You don't object to that co-operation ?

A.—The non-co-operation that we have does not imply non-co-operation in every act, and, in that matter, I would leave it there.

Q.—But would it help the programme ?

A.—It may, but I am not concerned with the powers of the municipality.

Q.—If your constructive programme is helped even though you have to co-operate with the Government, you would not mind it ?

A.—No.

Q.—You would certainly mind non-co-operators working the constructive programme through the Councils, even if it is possible to help the programme by going into the Councils ?

A.—I think it is impossible.

Q.—I say, whether you would advise the non-co-operators, if it is possible ?

A.—If it is possible to further the programme through the Councils, then, I would advise just as in the case of local bodies.

Q.—Would it not be a surrender on the part of the Congress ?

A.—It will not be a surrender because there is that assumption. At present we are working on the assumption and the Congress is working on that assumption that it is impossible to work the constructive programme in any way in the Councils and, therefore, if it is now admitted or assumed that it is possible to work the constructive programme through the Councils, there is no objection of our going to the Councils, and there is no surrender.

Q.—But is it not a question of humiliation and surrender ?

A.—It is not a question of humiliation and surrender, it is a question of furthering our cause.

Mr G. Chowdhury, the official spokesman of Utkal, goes even further and would recommend an alteration of the non-co-operation programme to include co-operation in the Councils if that would help the constructive programme. His sole reason for thinking that this cannot be expected is that the existing councils have done nothing in that direction. Here is an extract from his oral evidence :—

MR. V. J. PATEL—Q.—Are you in favour of capturing municipalities and local boards by non-co-operators ?

A.—Yes, I would like them to do so.

Q.—But don't you think that in the municipalities we co-operate with the Government ?

A.—But much can be done to help the programme.

Q.—So you are not against entering the municipalities and co-operating with the Government if you can do something, and work your constructive programme to a very great extent ?

A.—Yes.

Q.—Then tell me if by such co-operation you can work the constructive programme through the Councils you would not object going to the Councils ?

A.—If the Councils would help the constructive programme, then I have no objection.

Q.—I believe you have not studied the Government of India Act and the Reform Act, that you are in a position to work the constructive programme through the Councils.

Q.—As my experience shows, nothing has been done through the Councils so far.

Q.—I want to know whether it can be done ?

A.—When for the last two years nothing has been done, it is not possible to do anything in the Councils.

Q.—But you are quite clear that if it can be done, you would not object to such co-operation ?

A.—Yes, as regards working of the constructive programme

Q.—But don't you think it would be against the spirit of non-co-operation if you get some advantage by going into the Councils?

A.—It may be inconsistent, but I think the programme will have to be changed.

Q.—If the people are satisfied with the constructive programme and they think that it can be worked through the Councils, you will ask the Congress to change the programme?

A.—If the people are satisfied, the congress will change it.

The next witness we shall refer to is Mr. S. V. Kowjalgi, President, District Congress Committee, Bijapur, for sometime member of the All-India Working Committee. He concludes his remarks in his written answer on the subject of Councils by saying: "after giving my best consideration to this subject I have come to the conclusion that permission to enter the Councils will be more a loss than a gain for the National cause."

The following extract from his evidence will speak for itself:—

Hakim Ajmal Khan:—

\* \* \* \* \*

Q.—If you can get workers to attend to the boycott of courts and of schools and other items of the non-co-operation programme, can you not also similarly get a few workers for the Councils?

A.—I am aware we can. I have stated in my statement that individuals from the nationalist camp who are fit for nothing else might try that way.

Q.—But you agree that it is only if we have a majority we can go?

A.—Yes. But I am doubtful of a majority with regard to my Province. I have on principles no objection to the other Provinces going into the Councils. Nationalists are so strong-minded now that they may be able to do some good by going into the Councils.

Q.—You don't think the principle of non-co-operation will be affected by our going into the Councils?

A.—I think it will all depend upon the attitude of the persons who go. If they go and only obstruct there, then it is not against the principle of N. C. O., and if they go with a determination never to be tempted with any advantages to be gained from the bureaucratic side.

Q.—And then I take it that you are not against the Nationalists going into the Councils if they go there for the purpose of—

1. Obstruction, pure and simple, and 2 Working the constructive programme of the Congress through the Councils?

A.—I am not against.

The following is an extract from the evidence of Pandit Harkaran Nath Misra, General Secretary, U. P. Provincial Congress Committee, Allahabad.—

PANDITJI—Q.—On principle you are against going into the Councils, and you are also against going into the Government schools. From the practical point of view, principle apart, do you think that the only conditions upon which the non-co-operators may enter the Councils are most difficult, if not impossible to be performed?

A.—Yes, this is it.

Q.—Supposing there is some assurance that these conditions will be fulfilled, and in some provinces these conditions can be satisfied, have you any other objection to go to the Councils from the practical point of view?

A.—No.

## HOW EVIDENCE DEALT WITH

124. It is easy to multiply instances of this nature but we feel we shall not be justified in dwelling on the point at greater length as it is evident that a question like this cannot be decided by reference only to the number of witnesses. It involves a principle and gives rise to various considerations in determining the practical utility of adopting it in practice. It is necessary to examine the grounds upon which each opinion is based and see if they can justify the inference drawn. It is obviously impossible to deal with the huge mass of evidence witness by witness. We shall therefore take each ground of objection and comment on it briefly.

## THE FATWA

125. The first raises the all-important question of the *fatwa* of the Jamait-ul-ulema which is supposed to stand in the way of Mohammedans in the matter of entry into the Councils. It goes without saying that any proposal which cannot carry the entire approval of the Mohammedans must be ruled out at once without reference to the merits. It is of course for the Jamait-ul-Ulema to say how far the *Fatwa* will apply, if at all, to a line of action such as the one we have suggested. We find that it does not apply at all to the running of elections and as regards entry into the Councils it refers to the normal work as it is at present carried on and prohibits the co operation it involves in emphatic terms. On the question of the oath of allegiance also it proceeds on the assumption that the allegiance thereby imposed is to the Govt. which is not the case. We give a translation of the material portion of the *Fatwa* in Appendix XII (not printed) and although the authoritative decision of the question must rest with the Ulema, we venture to say that a close examination of the language used justifies a further reference to that learned body of divines to reconsider their verdict with special reference to the object with which elections are to be contested and the use which it is proposed to be made of the Councils. We are encouraged to recommend such reference on the strength of the principle "all actions depend upon intent."

## OATH OF ALLEGIANCE

126. The next objection taken has reference to the oath of allegiance. It relates first to the taking of the oath itself and secondly to the propriety of entering into the Councils with the avowed object of paralysing them after giving an undertaking in the form, "I will faithfully discharge the duty upon which I am about to enter." As regards the first part all that is needed is to swear allegiance to the Sovereign of England. We find nothing in

the Congress creed to prohibit it and as long as our objective of complete Swarajya can possibly be gained within the British Empire we see no harm in declaring on oath or solemn affirmation what is an incontrovertible fact. That under existing conditions we owe allegiance to the Sovereign of England cannot be doubted whether we say so or not. We should have thought that the non-co-operator who has laid his cards on the table would be the last to hesitate in admitting the truth. It is possible that the bureaucracy may in the near future drive us to join the school of thought which insists on independence but so long as that event does not happen and the Congress and Khilafat creeds remain as they are we can find no real difficulty in taking the oath of allegiance. There may of course be people who have conscientious scruples in this respect but we are dealing here with the general movement and its principles. The objection based on the *fatwa* has already been dealt with and we believe as we have suggested that it can be removed by a further reference to the Ulemas.

#### THE DUTY IMPOSED

127. As to the second part of the objection we have no doubt whatever that a non-co operator who secures his election to the Council with a distinct mandate from his constituency to obstruct the proceedings at every step (as would be the case if our suggestion is adopted) can only "faithfully discharge the duty upon which he is about to enter" by acting in strict accordance with that mandate. The whole question turns upon what is the duty of a representative of the people who is elected to an assembly by the suffrage of his countrymen and has pledged himself to follow a particular line of policy. We are clearly of opinion that such a representative would not only be failing in his duty but be guilty of a gross breach of faith if he swerves by a hair's breadth from that policy. But it is said that the undertaking contained in the form of the oath is in conflict with the policy of obstruction as it involves an obligation to act under the provisions of the Act. We fail to see any such conflict. It is obvious that all obstruction to be effective must be offered in accordance with the rules governing the conduct of business and so long as those rules are observed we can discover no dereliction of the duty undertaken. Obstructive tactics in relation to particular measures are a common feature of all legislative assemblies in the world and have never been considered to be anything but the exercise of a legitimate right. If such tactics can properly be resorted to in relation to particular measures we cannot conceive of any reason why they should be regarded as reprehensible if applied to a large number of measures or to all the



measures which are brought forward. Reliance is placed on the Preamble of the Act and it is said that the duty undertaken by the oath implies acquiescence in the policy of Parliament therein set out. If that be so the oath conflicts with the settled convictions of many if not all the Moderates who have entered the Council after taking it. We are not aware that there is any school of thought in India which fully endorses the famous Declaration of August 20th 1917, which is reproduced in the Preamble of the Act. In the Calcutta session of the Congress of that year when both Moderates and Extremists sailed under the same colours the limitations contained in the Declaration of August 20th were unanimously condemned and by none so vehemently as the present Moderates. The forcible characterisation of these limitations by Babu Surendra Nath Banerji as a "rift in the lute" is fresh in the memory of Congressmen. But quite apart from the attitude of the Moderates we can only express our surprise at the calling in aid of the Preamble of the Act to explain the meaning of the oath of allegiance. It is easy to show that such a use of the Preamble is wholly unwarranted, but for obvious reasons we refrain from going into the purely legal aspects of the question which cannot have any reference to moral considerations on which alone the objection to have any weight must be founded. We may however point out that the argument if carried to its logical end means that the moment a person takes the oath he is debarred for ever from taking exception to any of the provisions of the Government of India Act which is absurd. We are therefore quite clear that there is no valid objection to the oath of allegiance. It is said by our dissenting colleagues that "no conscientious person can stand for election with the avowed objection of wrecking the institution and take such an oath, and except by casuistry or mental reservation can feel justified in adopting such a course." No reasons are given for this dictum and we fail to see any justification for it. Strong words do not constitute an argument and we take no further notice of the remarks. We have given our reasons and leave the matter there.

It is necessary to go into the evidence on the point which is meagre but we give the following extract from the statement of Pandit Harkaran Nath Misra as a correct appreciation of the principle :—

Q.—What about the oath of all allegiance? Does it offer any obstacle in the way of Non-co-operation? Will it be necessary for the Congress to change its creed and give the mandate to the Non-co-operators to go into the councils?

A.—The party which wants complete independence without the British Empire, is very limited, and probably there are very few persons who do not like to go into Council but there are many who want to get Swaraj within the Empire, and in that case oath of allegiance must not stand much in your way

## INCONSISTENCY WITH NON-CO-OPERATION.

128. The next objection raised is that entry into the Councils would be inconsistent with the Non-co-operation resolution of the Congress. There is no doubt that such entry involves a material change in the programme of Non-Co-operation as passed at Calcutta and re-affirmed at Nagpur and Ahmedabad. In the words of Mahatma Gandhi "Rejection of courts, schools and councils is an integral part of the programme." All that this Committee or the All-India Committee can do is to make such recommendations as they may be advised for the consideration of the Congress at its next regular session at Gaya. But when it is said that the suggestion we have made is inconsistent with the principle of Non-co-operation we entirely differ. As we have already observed we can think of no higher form of Non-co-operation than entering the Councils and non-co-operating with the Government at every step.

## BRIEF HISTORY OF THE CLAUSE

129. It will not be out of place here to give a brief history of the clause relating to boycott of Councils. As has already been pointed out (see paras. 13 and 14) this item did not find a place in the programme of Non-Co-operation until after the Leaders' Conference had been held in Allahabad on the 2nd June 1920 though the principle had been enunciated some time before. We find that in an article contributed to the columns of the "Nava Jivan" and reproduced in the "Young India" of 5th June, 1920, Mahatma Gandhi gives some very wholesome advice to the voters as to the qualifications they should insist on before voting for a particular candidate, and points out the desirability of sending the best available men into the Councils. Shortly after Lala Lajpat Rai, in an article in his Urdu paper "The Bande Mataram," announced that he had "resolved after much deliberation that he should not stand for election." This article was reproduced in the "Young India" of June 30th, 1920, and was followed by a statement to the press issued by Mahatma Gandhi in which he welcomed the suggestion of Lala Lajpat Rai and expressed the opinion that "it would be a fine education for them if the electors are not to elect anybody and unanimously to tell whosoever may seek their suffrage that he would not represent them if he sought election so long as the Punjab and Khilafat questions were not satisfactorily settled." This statement appeared in "Young India" of the 7th July, 1920, which also gave publicity to the report of the Non co-operation Committee appointed at the Leaders' Conference held in Allahabad. It was in this report that the boycott of the reformed Councils found a place for the first time and was repeated after a great struggle in the

Subjects Committee in the resolution passed by the special session of the Congress in Calcutta. It will thus be seen that the idea of the boycott of Councils in the form adopted at Calcutta was not considered an essential feature of Non-co-operation at the beginning and was only gradually evolved as better calculated to educate the country in the rights of citizenship. The principle underlying the Calcutta resolution was that the Government consolidates its power through the Councils and what it prohibits is co-operation with the Government which will help such consolidation. It is evident that so far from contributing to strengthen the power of the Government, the Non-co-operator, by carrying out the policy suggested by us, in the Councils, would be laying the axe at its very root. We see nothing in the Nagpur and Ahmedabad Congress resolutions which can be taken to conflict with this view.

#### COUNCILS THRIVE ON OBSTRUCTION.

130. Reliance is next placed on a dictum of Mahatma Gandhi contained in the following passage :—"I submit that in a sense we co-operate by joining even though the object is obstruction. Most institutions, and a British Legislative Council most of all, thrive upon obstruction. The disciplined obstruction of the Irish members made practically no impression upon the House of Commons. The Irish have not got the Home Rule they wanted." (*"Young India,"* 14th July, 1920).

The aphorism that "Governments thrive on obstruction" has become a copy book maxim with some Non-co-operators who tear it out of the context and use it as a rule of general application. It is not realized that the argument has force only when applied to obstruction by a minority such as that of the Irish members or of the Labour party in the House of Commons or of the non-official members in the pre-Reform Councils in India. As soon as the party of obstruction commands a majority, its obstruction, instead of giving vitality to the Government, results in its total paralysis. In countries where there is responsible Government the Ministry when its support in the House dwindles down into a minority has to go out and make room for a new Ministry representing the majority. In India the position is different. The Government is not responsible to the House or the country and is not called upon to resign and give place to a new Government. But it cannot carry on the administration as a Government under the reformed constitution. Both the Government and the Councils established under the constitution must come to an end and the administration must take the form of despotic rule. The Reform Act must go and the choice will be between a new Act according to the wishes of the people and

naked despotism. The argument that Governments thrive on obstruction has no application when the party of obstruction is in a majority. Mahatmaji's remarks must be read in the light of the illustration he gives of the Irish members in the House of Commons who did not exceed 100 in a House of 700. His observations would hold good only if the obstructionists fail to secure a majority.

#### HIGH MORAL LEVEL.

131. Another objection which at first sight appears to be a serious one is that going into the Councils for the purpose of obstruction will not be in keeping with the high moral level of the movement. We do not know what non-co-operation is unless it be a series of obstructions carried to the extent of wholly paralysing the Government. Every boycott, be it of schools and colleges or of courts or of shops for the sale of foreign cloth or alcoholic drinks is nothing but obstruction pure and simple. If it is not descending from the high moral plane we occupy when we obstruct these institutions we cannot conceive of any reason why it should be so if obstruction is offered to the working of the Councils, which have helped to plunge the country in the suffering and misery we see around us. We maintain that going into the Councils with the avowed object of ending them if they would not mend, is not only not inconsistent with the principles of non-co-operation but is a manlier way of grappling with an evil than running away from it.

#### THE THEORY OF GIFT.

132. Again it is said that the Reforms being a gift from the Government, it is immoral to use them for the purpose of destroying it. We cannot for a moment concede that the Reforms, shadowy as they are, have come to us as a free gift from the Government. It may as well be argued that the usurper, in restoring an infinitesimal part of the thing usurped to the real owner under compulsion, is making a free gift to the latter. But some kind of moral turpitude is said to be involved in the act of using a weapon placed in our hands by the Government against the Government itself. It is like taking a sword from your adversary and using it to wrest the machine gun which he has trained upon you. The weapon wielded by the Government under the reforms is a far mightier one than that we can forge out of the scraps left to us. What we are aiming at is to render that mightier weapon useless against us by following the natural instinct of self-preservation. Obstruction being of the very essence of Parliamentary Government it is easy to conceive that a situation may arise quite apart from non-co-operation where in order to achieve an object of immediate vital importance it may become

necessary to set up wholesale opposition to less urgent measures of undoubted utility. We can only repeat that we find it impossible to draw the line where obstruction ceases to be a virtue and suddenly becomes a vice. The boycott of the Councils was not advised because it was a pious act in itself. In the article last quoted Mahatmaji says : "We boycott an institution because we do not like it or because we do not wish to co-operate with its conductors. In the matter of the Councils that latter is the deciding reason." So that the boycott is really based on solid practical grounds and has nothing to do with far-fetched religious or moral theories. We keep in view the real object and suggest an alteration in form on equally solid and practical grounds of which no honourable man need be ashamed and are met by the objection of immorality ! No attempt is made to show wherein the immorality lies, but it is assumed that if Mahatmaji advised a course of action it must have been on moral grounds and deviation from it is highly immoral, however much the circumstances might have changed since he gave the advice. It is forgotten that Mahatmaji besides being a great religious and social reformer is also a statesman of a very high order.

#### TEMPTATIONS

133. The next argument that the Non-co-operators are not sufficiently disciplined to carry out the mandate of the Congress and are liable to temptations furnishes if true a sad commentary on the high moral level claimed for the followers of the movement. Happily we have no great misgivings on the subject. Mr. Aney has effectively disposed of it by the following trenchant statement :—

MR. V. J. PATEL—Q.—I want to know if the non-co-operators go to the Legislative Councils are you not afraid of their being corrupted by these influences ?

A.—I think we can certainly find out a sufficient number of persons who can stand this temptation. If the nation cannot find sufficient men who can withstand this temptation, then we have been behind in the race of political agitation and should not talk of a bold action either inside or outside the councils.

Q.—Have you not known instances in the past of nationalists falling victims to temptation ?

A.—What I say is I have to judge of nationalists who are backed by the mandate of the Congress with their resignations in the hands of the Provincial Congress Committee. When there is that fear behind them, they will be pledged to carry out a certain congress policy.

Q.—And if they fail to do it, then they will have to resign. With that condition you would like to send the nationalists to the Legislative Council ?

A.—Yes.

#### WEAKNESS OF HUMAN NATURE

134. Dr. Pattabi Sitarammiya of Andhra takes a gloomier view. He thinks that the non-co-operator is not free from the

weaknesses of human nature and is as much liable to succumb to corrupting influences as his fellowmen. The learned Dr. is a keen observer of human nature as his statement shows but has in this instance we venture to say overlooked its brighter side. We are sure he will readily admit that non-co-operation can claim as many, if not more, men of robust moral stamina as any other nation—having regard to our numbers, we are tempted to say, as many as half a dozen other nations put together. Are we ready for the immediate Swarajya we are fighting for if we are doubtful of finding a few hundred men in the country who can withstand temptation of all kinds? We decline to give room to any such pessimism. It will be readily admitted that there is a serious lack of discipline in the rank and file, but it is impossible to shut one's eyes to hundreds of recent instances of sturdy independence and selfless devotion which would do honour to any country in the world.

#### SELF-RESPECT AND DIGNITY

135. We next come to the point which above all others has confirmed us in the opinion we hold but strangely enough is used by our colleagues against us. The fact that a large number of distinguished non-co-operators including the great leader of the movement are disqualified under the rules by the reason of the sentences passed on them is relied on in support of the argument that it will be inconsistent with our self-respect and dignity to enter into the Councils. Bahu Rajendra Prasad says that in these circumstances "it would be cowardice" to go into the Councils and he uses the word for want of a stronger term. The argument would be unanswerable if it were intended to co-operate with the Government in the Councils, but having regard to the purpose for which the Councils are proposed to be utilised it not only loses its force but furnishes the strongest reason in support of our recommendation. It is precisely because the Government has dealt with us so badly that it becomes our clear duty to attack the stronghold it occupies with all the energy we can command and spare no pains to destroy it. The Government has not hesitated to adopt all possible means to put down the movement and in doing so has, as we have shown, greatly misused its powers. We are fully entitled to use all clean weapons available to us both for offence and defence provided we can do so without violating any of the cardinal principles of non-violent non-co-operation. We have so far been fighting for our just rights and the government has replied by a resort to general repression and the arrest and imprisonment of thousands of our earnest workers and selfless patriots including the great originator of the movement. We have taken it all in the true

spirit of non-violent non-co-operation. An opportunity now offers itself to vindicate our national self-respect by carrying the fight in the same spirit into a new field of action, and we feel that we would be wanting in our duty not only to our colleagues in jail but to your country if we did not recommend the fullest use of that opportunity. We say that as long as our men are in jail, as long as there is no change of heart on the other side, as long as the Khilafat and the Punjab wrongs are unredressed and Swaraj remains a distant goal, so long there can be no question of co-operation with the Government in any shape or form, and the only policy admissible consistently with our national dignity is a policy of total obstruction wherever possible. This is our reply to the repression and terrorism which has caused such misery and suffering to thousands of our countrymen and laid desolate thousands of homes. What is the reply that our colleagues who dissent from us and those witnesses who would cling to the existing order of things have to give? Their reply is, we shall in this great war of right against might continue to send our best men to the sacrifice, allow our work to come to a standstill and keep looking on while untold atrocities are being committed day after day but shall not touch one of the cleanest and most effective weapons which lies ready at hand. Are they doing their duty by our suffering countrymen or we, who would lose no time to grasp this powerful weapon and use it to the best advantage? Is their proposal consistent with the dignity of our manhood or ours? We leave these questions to be answered by the All-India Committee.

#### GOVERNMENT BY VETO

136. The next argument that it is impossible to offer successful obstruction to a Government armed with the power of veto ignores the elementary fact that there can be no greater paralysis of the system than Government by veto. We do not consider it necessary to go further into the point.

#### THE QUESTION OF MAJORITY

137. The real question is whether or not it is possible and probable to secure a majority of non-co-operators at the ensuing elections. The evidence adduced before us strongly supports the belief that we shall be in a very substantial majority in all the Provinces if the Congress and the Khilafat declare in favour of entering into the Councils. Even witnesses with a strong bias against such entry and unable to view it as anything but a national disaster have no hesitation in assuring us of a large majority if the necessary mandate from the two national assemblies is forthcoming.

When a witness like Pandit Santanam of Lahore who apprehends general demoralisation in the country if the boycott of the Councils in its present form is removed or altered has no doubt of a majority and is supported by Prof. Ruchi Ram so far as regards the Hindus and Sikhs and by Maulana Abdul Kadir on behalf of the Mussalmans, we may be quite sure of the Punjab. Here is the relevant extract from his evidence :—

PUNJAB.

*Pandit K. Santanam, General Secy., Punjab Provincial Congress Committee to Mr. V. J. Patel*

Q.—Supposing the Congress gives a mandate that we should capture the Legislative machinery and thereby obstruct the Govt. in all possible ways ; do you think that your province will send a majority of non-co-operators into the Councils ?

A.—I am disposed to believe that, in that case, Non-co-operators will be in a majority in the councils. If all the men now in jail come out, you will have sufficient capable candidates for the posts.

Q.—Then the people have got sufficient confidence in the Congress leaders that they would return a majority of them into the Councils.

A.—I can say this on behalf of the Hindus and the Sikhs.

Q.—(M. Abdul Qadir). What do you say about the Mohammedians ?

A.—(M. Abdul Qadir). I hope that the Mohammedians will return a majority of the Congressmen into the Councils. They will follow the lead of their leaders.

There is a weighty body of evidence from the other Provinces in support of the same view. We give the following extract which will speak for themselves :—

BIHAR

*Mr. Rajendra Prasad, to Pandit Motilal Nehru*

Q.—Having regard to the feeling in your province do you think that after the Congress has made it permissive, assuming the Congress makes it permissive to N. C. Os. to go into the Councils, will the propaganda among the electorates asking them to vote for Congressmen be successful, having regard to the temperament of the people ?

A. It is difficult to answer that question.

Q. What I mean is this. Is the feeling against the councils so strong that if the congress merely makes it permissive to N. C. Os. to enter the councils can the electorates be educated to send a large number of Non-co-operating candidates to the councils ? Do you expect a majority in that case of N. C. O. councils ?

A. I think if N. C. Os. are allowed to go and if they carry on propaganda they might capture a majority of votes.

Q.—Then the feeling depends on what the congress says ?

A.—Yes, very much.

Q.—The common people will not think that now that Mahatma Gandhi is in jail we are going back on the congress resolution as framed by him ?

A. The prestige of the congress now is so great that it may carry the people with it to a considerable extent.

Q.—What do you expect ? It may or may not ?

A. It may if the congress removes the ban.



Q. The fact that we are going back on the congress resolution as it was started by Mahatma Gandhi will have little effect ?

A. I think so. It is possible to capture a good number of seats if it is thought desirable.

### UNITED PROVINCES

*Pandit Harkaran Nath Misra, General Secretary, U. P. Provincial Congress Committee, Allahabad—to Hakim Sahib.*

Q. What is your opinion about the councils ?

A. We advocate the boycott of councils.

Q. If you think that the Constructive programme is not sufficient and if the congress decided that you should go into the councils and make it impossible for the co operators to co-operate with the Government, and lay every sort of obstruction in their way do you think you will go into the councils with the congress mandate.

A. It is very difficult to go into the councils with the congress mandate, because there is the "Ulemas Fatwa" and unless that Fatwa is changed, there is no use going into the councils.

Q. Suppose the Fatwa is changed, then, do you think, you will get a majority of non-co-operators in the councils ?

A. Yes.

Q.—What harm are the Moderates doing by entering the councils ?

A.—There are very few Moderates in this country, and they have no chance of doing any mischief to our cause except through the councils and if we do not give them this chance there would have been no Moderate in the council and could not have done any mischief at all.

Q.—In this country as well as abroad ?

A.—Specially in England, so that he would not have had the chance of going abroad.

Q.—Then, there are many things which I would ask you about the work that the non-co-operators can do by going into the Councils, for instance, they can vote the Budget and taxation, they can thwart and can leave the Council at any time. They would not have voted the address of the Prince of Wales if the N. C. O's would have been in the councils ?

A.—I am not so very keen about benefiting the country, but I am very keen to throw out the Moderates by entering the Council, and successfully obstructing the council.

Q.—Do you think that if the N. C. O's get a mandate from the congress there will be majority of non-co-operators in the Council from the U. P. ?

A.—They would get a thundering majority.

### ASSAM

*Syl. Omoo Kumar Das, Secretary, D. C. C., Tezpur,—to Panditji*

Q.—Are you in particular against going into the Councils, or because you think that there will not be a majority of the Congressmen therefore we should not go into them ?

A.—We expect a majority.

Q.—If the Congress passes a resolution that you may go into the Councils, do you expect a majority of Congressmen will be returned to the councils from your district ?

A.—We expect a majority.

Q.—And if the Congress leaves it to the will of the people to do as they please ?

A. Then I am afraid, there will be no majority.

Q. And why should you say that you should not remove the boycott of the Councils ?

A. Because the present councils have no power to execute the resolutions they pass.

# MAHARASHTRA

*Mr. N. C. Kelkar, Member of the A. I. C. C. and Working Committee to Panditji*

Q.—Do you expect a majority of non-co-operators to enter the Councils at the next election if the congress allows N. C. Os to enter the councils ?

A. A large number of N. C. O's can get into the councils.

Q.—Do you expect your electorate will return a fairly large majority of N. C. Os to the Councils ?

A.—I am quite sure.

Q.—For the present if the Congress recedes from that position and says : We leave it to you to enter the Councils or not. As things stand at present, do you think the majority of the electorate will send any non-co-operators to the Councils ?

A.—I think so.

Q.—Will there be a majority of N. C. Os in the Councils ?

A.—I cannot give any assurance as to a majority, but the men who can be relied upon can enter.

# C. P. MARATHI

*Dr. B. S. Munji, to the President*

Q.—I suppose when you are thinking of going into councils you think you will have a clear majority ?

A.—Yes, at least in my province I am confident of a nationalist majority.

# BERAR

*Mr. M. S. Aney, President, Congress Committee, Berar, to Dr. Ansari*

Q.—Do you think if the Congress were to give a mandate for going into the Councils you will get a majority ?

A.—So far as my Province is concerned I have not the least doubt about it.

Q.—Do you think that even if the Mussalmans decide not to go into the councils you will have a majority ?

A.—Even then we can get a majority. In the electoral roll their number is not very preponderating.

# KARNATAK

*Mr. Angade (Non-Brahmin)*

Q.—You said that your statements were only as regards your province. I will ask you to give your recommendation as regards the whole of India. Apart from the question of unity taking it all round, would you advise entry into the Councils for the whole of India ?

A.—Yes.

Q.—And would you suggest that the Congress should give a mandate to the non-co-operators ?

A.—They should relax the rule.

Q.—Do you expect to have a majority of non-co-operators in the Councils ?

A.—I think so. This would be obtained for the whole of India.

## ANDHRA

*Mr. V. Bandaru, Madras, to Mr. C. Rajagopalachari*

Q.—If you cannot get the Nationalists in a majority into the Councils would you still prefer to go into the Councils?

A.—If there is no chance of the Nationalists getting into the Councils in large numbers as to form a majority, I would not prefer to go into the Councils.

Q.—You are only in favour of going into the Councils if we get a good majority. Then, are we to ascertain this beforehand or actually standing and getting the votes and refusing to enter if we do not form a majority?

A.—We shall get a majority in the councils.

Q.—What do you say to Mr. Pattabhai's remark that the communal interests that have been based on communities is such that if we now run candidates into the councils we cannot get a majority?

A.—I do not agree with this view. With regard to Hindus, we have no trouble at all. With regard to Brahmin and Non-Brahmin question if the Non-Brahmin feeling is strong against the Brahmins, then they should stand aloof. I think we can find sufficiently large number of candidates from Non-Brahmins to go to the councils.

## TAMIL NADU

*Mr. A. Rangaswamy Ayyangar, to Pandit Motilal Nehru*

Q.—You spoke about capturing the majority of seats in the council. How is one to be sure of this majority? We can only act upon such data as we can get. I dare say we can give them. What is your experience of Madras? Do you think they will return a majority?

A.—If the Congress advises entry into the Council, I expect the electorate to return a majority of Congressmen.

Q.—If the congress does not?

A.—I don't expect a majority. The congress must definitely say that Congressmen can enter the council.

Q.—Supposing you expect a majority and in the result you happen to be in a minority, will you still go into the council?

A.—No.

Q.—You will keep the seats empty?

A.—Yes.

*Mr. S. Satyamurti, to Mr. V. J. Patel*

Q.—Do you think that in lieu of the existing non-Brahmin councillors you can prepare the electorate for the election of non-Brahmins who will sympathise with the principles of the congress?

A.—The congress movement has roused the consciousness of the people during the last 18 months. It is easier to get a majority for us in the legislative bodies than it was before. So many men have gone to jail. The country has understood what sort of people the Congressmen are as a class. The electors will give more support to Congress candidates than they would have done at the last election. Men's conscience has been improved because new ideals have penetrated them now. They have understood that the Congress stands for something sober and patriotic. It was really doubtful at the last election to have secured the majority. Chances are much better this time than they were last time.

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*Mr. Abul Qadir Siddiqui, President of Nimar Dist. Congress Committee, and Vice-President, of Provincial Khilafat Committee, C.P., Hindustani, to Hakim Ajmal Khan*

Q.—If Congress wants that we should go to the Council can you get a majority in the Council of non-co-operators in this Province?

A.—Yes, we can get non-co-operators in majority for the Council.

Q.—What is the opinion of the Mussalmans of this Province for going to the Council?

A.—Only on account of the Fatwa they will hesitate to go to the Council.

*Mr. V. D. Salpekar, President D. C. C., Chhindwara, to Mr. V. J. Patel*

Q.—Suppose you would get a majority in the council. If the Congress gives a mandate that non-co-operators should go into the councils for the purpose not of co-operating, but for obstructing in the very home of the enemy, then would your province return a majority of the non-co-operators?

A.—If there is sufficient propaganda as we had at the time of the boycott of Councils, then non-co-operators would get a majority in the local Legislative Councils, in case there is the Congress mandate to the effect.

*Mr. G. C. Varma, Jubbulpore, to Dr. M. A. Ansari*

Q.—If the Congress gives you a mandate that you should capture the Councils, do you think you will have a majority of N. C. Os in the Councils?

A.—Yes.

GUJRAT

*Mr. Yagnik, to Mr. V. J. Patel*

Q.—Suppose the Congress gives the mandate and the Gujrat Provincial Congress Committee not listening to the advice of its President advises its members to go to the Councils, I want to know whether from Gujrat constituencies you would get a substantial majority of N. C. Os. Has the electorate got that confidence in Congress organisations?

A.—Within Gujrat proper, given all the conditions you mention, I think it likely that we should have a majority but not such a majority of more than 75 per cent. as would be necessary for making obstruction effective.

BENGAL

*Mr. J. M. Sen Gupta, to Mr. V. J. Patel*

Q.—Take the council electorate in your province. If a referendum were taken among the Council electorate to-day, do you think there would be a majority for the boycott of Councils or a majority in favour of entry into the Councils?

A.—If you get the Congress to say that the Councils are desirable the majority will come round, but until the Congress says so I doubt whether you will get a majority amongst the voters even. It all depends upon the Congress resolution.

Q.—If the Congress resolution is changed, i.e., the Congress permits entry into the Councils, then even without propaganda in favour of the Councils, you would get a majority of people in favour of entry into the Councils?

A.—I think so.

**Shriyat Satyendra Chandra Mitter**, Secretary, Bengal Provincial Committee, in giving his points of difference from the spokesman (**Mr. J. M. Sen Gupta**), stated :—

I was one of those who stood as a candidate and I felt that we should enter into the Council. But subsequently we found, as I see it now, that we would have been wrong to enter into the Council. It was right that we withdrew on the following grounds :—

Firstly, we had very little chance to have the majority, e.g., **Mr. C. R. Dass** was a candidate and he had a rival—a big Zemindar. Though he had great chance, yet he was not absolutely certain. **Mr. Chakravarty** had also very little chance. I cite the example to show you the proof that we were right not to enter the Council as we had very little chance to have the majority. Now it is quite different. We have now chance to get the majority.

138. We have given the above extracts to show that there is a general belief in the country that a majority of non-co-operators can reasonably be expected to be returned to the Councils if the requisite sanction is given by the Congress and the Khilafat. There is some evidence to the contrary but it is of less weight and volume and the reasons on which it is based are far from convincing. **Mr. Vallabhai Patel** and **Dr. Pattabhi Sitaramayya** are the strongest witnesses on the other side. The opinion of the latter has been quoted in part I of this chapter. **Mr. Vallabhai Patel** gives similar evidence. Both of these gentlemen would have us believe, even if **Mahatma Gandhi** were free and threw in the whole weight of his irresistible influence on the side of the Councils, he would make little impression on the public. They take extreme views which not only find no support in the rest of the evidence but are in direct conflict with the one great factor with those who count on a majority have to contend against *viz.* the implicit faith of the people in **Mahatma**'s sayings without regard to their applicability to a particular case. This is now taken by friends and foes alike as too clearly established to admit of any doubt whatever and has in our opinion influenced these witnesses themselves to some extent at least in taking the extreme position they have.

#### NET RESULT OF EVIDENCE.

139. The net result of the evidence on the whole question of entry into the Councils given by this imposing array of 302 witnesses examined in the light of cold reason is that there is a good deal of honest misapprehension of the true bearings of the question in the country. Many of them have so accustomed themselves to think of the Councils as a contamination that they are unable to consider any proposal relating to them on the merits. Most of those who are prepared to discuss the question are either compelled to modify their original opinions beyond recognition or find themselves landed in absurdities. Some few have no doubt maintained

their ground but it will almost invariably be found that they have done so on the basis of assumption, the justification for which it is not always easy to discover. At the back of it all there is a vague undefined fear of some dire catastrophe befalling the nation the moment non-co-operators enter the Councils even though it be to end them. There is enough material in the evidence to indicate what is the true lead required by the country, but the bare opinions of the witnesses apart from the reasons on which they are based do not carry us far.

#### WITNESSES IN FAVOUR OF ENTRY INTO COUNCILS.

140. We next take the witnesses who are in favour of entering the Councils. The total number of these according to the general classification (the absolute accuracy of which, as has already been stated, is not vouched for) is 163 and out of this only 15 are shown in favour of a policy of total obstruction. This does not mean that the remaining witnesses are against the policy. The great majority of them who have been questioned on the subject have in their oral evidence made it quite clear that they would stand by the mandate of the Congress, whatever it is. It may be safely said that among these 163 witnesses very few will be found to be definitely against the policy of obstruction in principle. The general sense seems to be in favour of concerted action on the lines laid down by the Congress, and the apparent "grading off" merely represents the extent to which each group is prepared to go if left to itself. There is therefore no danger whatever of the different groups pulling each its own way. They are all actuated by the one common desire to see that the Councils are not exploited by the Government to suppress the movement. While some will not be satisfied with anything short of a total prevention of the evil, others are content to minimise it as far as possible. This does not show that they will not welcome total prevention if that is possible. To illustrate the above remarks we give below extracts from the statements of Dr. Moonjee (C. P. Marathi), Mr. Aney, (Berar) and Mr. A. Rangaswami Iyengar (Tamil Nadu) who do not insist on total obstruction as a condition precedent.

*Dr. B. R. S. Moonjee questioned by Mr. V. J. Patel*

Q. You said to Mr. Rajagopalchariar that you would co-operate where co-operation was necessary and oppose where it was otherwise. If the congress directs you to go there to paralyse the Government will you do it?

A. We shall carry out the mandate of the congress.

*Mr. M. S. Aney Presid. Provincial Congress Comm. Berar,  
questioned by Dr. Ansari*

Q. What mandate would you like the Congress to give?

A. If the Nationalists are in a majority in the Councils and are capable

of achieving what they want, then they should try to secure reform on the subjects mentioned by the Congress, or otherwise they should wreck the Councils. They can take any attitude they choose.

*Mr. Bangashree Ayyangar questioned by Mr. P. J. Patel*

Q. There is another view put forward that we should go into the Councils and carry on responsible co-operation that is to say co-operate where Government is willing to give us something in the way of constructive programme, National Education, and the rest of it and obstruct the Government where we feel it is necessary to do so.

A. If we have a clear majority I do not think we need do that. I would go straight away to start obstruction.

Q. Then this is really the position which Mr. Das insisted at the time of the Calcutta Congress. I quite see that. You have not changed the views since the Calcutta Congress?

A. I have always been of that opinion. I have of course submitted to the decision of the Congress.

Q.—When you go into the Council and when we are asked to say what our attitude is, are you to say that we are out there immediately if possible to wreck the Reform Act or not?

A.—Certainly, you are there to wreck the Act.

We do not propose to give extracts from the evidence of the witnesses who favour entry into the Councils as we have referred in a comprehensive form to the various degrees of obstruction they advocate.

#### OTHER OBJECTIONS DISPOSED OF

141. We have also dealt with the arguments of our dissenting colleagues so far as they are covered by the evidence of witnesses. For the rest we find nothing but generalisations and laying down of moral precepts which with due deference we think are quite out of place. For instance we find a nice distinction drawn between wrecking the Councils from inside and bringing about the same result from outside. The latter is commendable and the former immoral. We have shown that the latter is impossible and the former is the only means of doing it. The 'moral plane' argument has already been sufficiently discussed. Then it is said that diarchy is self exposed and there is no need of our going into the Councils to wreck the Reforms, reliance being placed on no less an authority than Sir Valentine Chirol. But surely we are not suggesting entry into the Councils for the academical purpose of proving the failure of diarchy or the success of some other 'archy'. If the wrecking of the Reforms which has so far been the main plank of the Congress platform is now unnecessary, why not withdraw the boycott altogether and leave things to take their own course. This would save much valuable time proposed to be spent in the futile attempt to induce voters to abstain from the polls and will enable the workers to give their undivided attention to the constructive programme with its inevitable consequence of workers being picked out one by one and safely lodged in gaol. As for the dictum of Sir Valentine

Chair, we cannot be too careful to guard against exploitation by English publicists at a time when a general election is imminent. Nothing is more likely to take us off the right course than a ready acceptance at their face value of statements made and opinions expressed to serve political ends in England.

**"COME INTO MY PARLOUR"**

142. Our esteemed colleagues have put in the forefront of their note an extract from a recent utterance of Sir George Lloyd. We confess we fail to see its bearing on the question at issue. It is the usual "come into my parlour" invitation to which we are fairly well used and does not even possess the merit of originality. More to the point would have been the opposite sentiment which you get by the simple process of reversing the name of the speaker and shifting the scene to Westminster. Here is what the British Prime Minister says on the subject :—

"The Non-co operation movement at the present time is in a state of collapse. What part it will take in the next election we cannot tell, what influence the non-co-operators and men of that kind will exert upon those elections, I cannot predict. A good deal will depend upon the kind of representatives chosen at the next election whether they will be men of moderate temper, such as those who constitute the present legislature, men who are honestly and earnestly doing their best to make this new constitutional experiment a success, or whether they will be there as men who are simply using all powers of the machine in order to attain some purpose which is detrimental to British rule and subversive of the whole system upon which India has been governed up to now. That is why I say that the most serious and most trying time which will constitute the real test of success of this effort is yet to come. I think it is right that we should say that, if there is a change of that kind in the character of the legislature and in the purpose of those who are chosen in design of responsible and chosen leaders of the Indian people that would constitute a serious situation and we should have to take it into account. One thing we must make clear, that Britain will in no circumstances relinquish her responsibility to India \* \* \* We will take whatever steps are necessary to discharge or to enforce them."

This is exactly what we have ourselves foreshadowed, the only difference being that while the British Prime Minister has uttered vague and veiled threats, we have laid our cards on the table and disclosed every move we intend to make.

**INTER-COMMUNAL JEALOUSIES**

143. Our colleagues have made a passing reference to 'inter-



communal jealousies.' We can quite understand differences arising on communal questions in the Councils where the ordinary business is transacted on normal lines, but when all that has to be done is either to wreck the Councils or to keep away from them according as the Non-co-operators are in a majority or a minority we see little reason to apprehend an exhibition of communal or other jealousies.

### NO ENGLISH PARALLEL

144. It will be observed that in attempting to meet our proposals reasons are often given which are applicable only to co-operation within the Councils and nothing is better calculated to illustrate the force of this remark than the connection in which the long extract from Mahatmaji's Calcutta speech is quoted by our colleagues at the end of their note. He is there merely answering the argument which he has himself crystallised in the opening part of the quotation and his references to obstruction and paralysis of the Government as a student of English History can mean nothing more than the sort of obstruction that has been and could possibly be offered from time to time in English political institutions. We have already dealt with the maxim "institutions thrive on obstruction" and will here simply point out that the word "obstruction" is a misnomer when applied to majorities in English politics, which do not merely obstruct but carry everything before them. It is the weapon of minorities only and has as Mahatmaji rightly says proved very ineffective. A situation like the one in which we are placed cannot possibly arise in a self-governing country. We may without any breach of confidence refer to the fact that had it not been for the practical impossibility of obtaining a majority in 1920 many of the prominent workers would not have supported the boycott in the form in which it appeared in the Calcutta resolution. We have little doubt that when Mahatmaji was referring to obstruction in his speech at Calcutta he had this fact present to his mind.

### STALEMATE IMMINENT

145. As we read the situation the contest is fast drifting to something like a stalemate and a fresh opening is necessary to clear the way for the main attack. We must either go forward or backward. It is impossible in our opinion to stand where we are for any length of time. There can be no doubt that if India can make real and substantial progress towards non-violence, removal of untouchability, inter-communal unity, boycott of foreign cloth and national education, she can easily wrest Swaraj without Non-co-operation or civil disobedience. Realising, however, that this is not possible for a long time to come, the Ahmedabad Congress advised a resort to

civil disobedience. Mass or individual civil disobedience on a sufficiently large scale to force the issue being out of the question for the present, we must have something else as nearly approaching civil disobedience as possible. While there is a general desire for that 'something' among those who are against entering into the Councils no definite and workable suggestion has been made by any of them.

### CONCLUSION

146. We are not concerned with the success or failure of diarchy or with the opinions of political parties in England to serve their own political ends. What we are deeply concerned with is the fact that England is keeping us down and saving her face before the civilised world under cover of those sham councils and the mendacious propaganda about their representative character. This is felt by Indian Nationalists of all shades of opinion and the demand for counter-foreign propaganda is increasing day by day. But it is futile to compete with powerful England with her enormous resources and world influence, with her expert diplomacy which has enabled her to thoroughly pervert and use one of our ablest countrymen to go round the world at our expense as a Government propagandist, speak on our behalf and assure the great liberty-loving nations of the West that Gandhi is a crack-brained idealist, that his arrest and imprisonment are a triumph of British justice and that we are a happy and contented people. Before you are able to clothe a millionth part of the vast population of India in hand-spun and hand-woven khaddar, before you can supply an infinitesimal fraction of the demand for national educational institutions, before any appreciable progress can be made in the removal of untouchability, before you can extricate yourself from the vicious circle, which has effectively frustrated your efforts to restore inter-communal unity we warn you that you will have completely gone under, unless you open your eyes to the pressing need of the hour. Theories and dogmas are all very well in their own way but they will not carry you far if you ride them to death. Knock these Councils on the head, and you will accomplish what millions spent in foreign propaganda cannot achieve. Wreck the Reforms and you will smash at one blow the huge super-structure of world-wide deception which has cost millions to build up.

In view of the dissent of our learned colleagues, we have felt ourselves compelled to devote more space to this subject than we had intended. Our only apology lies in the fact that we feel strongly about it and are convinced that it will be a political blunder to throw away the opportunity which is about to offer itself. We have

shown what can be accomplished if we are returned in a majority. If we are wrong in expecting a majority we lose little by a trial strength at the poles but gain much by promoting the constructive work to an extent otherwise impossible at least in the province where repression reigns supreme. In case we are debarred from entering the contest we lose even less but demolish all pretence for the representative character of the Councils. If however our colleagues are wrong and the opportunity is allowed to slip by, we must be prepared to submit to existing conditions for another three years ; and he will be a bold prophet who can say what will happen meanwhile.

We have had our say and leave the decision of this most important question of the hour in the hands of the All-India Congress Committee.

*Ajmal Khan. Motilal Nehru. V. J. Patel.*

146 (a).—The following farther note was received from Hakim Ajmal Khan on the question of entry into Councils :—

"The constructive programme, being the basis of all our actions, we should have recommended nothing else but the working of it. As I cannot, however, shut my eyes to the obvious fact that with the exception of a few provinces, we are not only making any progress in this direction, but are actually going backwards. I, therefore, recommend entry into the councils with the sole object of proving that the Reform Scheme is useless, and with a view only to make its working impossible. If the whole of our Congress organisation, from top to bottom, were to take up the constructive programme in right earnest and push it through with a firm determination, which I very much doubt it would, I believe we should not feel the necessity of having to call to our aid any other stimulant, such as entry into the Councils.

*Delhi, 27th October, 1922.*

**AJMAL KHAN."**

[Translated]

## CHAPTER VII.

### OTHER PROPOSALS AND RECOMMENDATIONS

#### (A) LOCAL BODIES

147. The position of these institutions in relation to Non-cooperation is peculiar. The Congress, whilst it calls upon the Non-cooperators to boycott the Councils, makes no express provision

regarding their attitude towards these institutions. The evidence adduced before us shows that the conditions prevailing in the country vary from province to province. The principles of Non-co-operation have however not been strictly applied even where Non-co-operators are in a majority. Both sets of witnesses whether for or against the entry of Non-co-operators into the Councils mostly favour the capture of local bodies and do not mind the co-operation with the Government which it necessarily involves. In actual practice we find that in the great majority of Municipalities and Local Boards, the Non-co-operators are in a minority and that it is only in rare cases that they have captured them. While we find instances of partial Non-co-operation here and there, full Co-operation with the Government appears to be the general rule. Having regard to the fact that we have not yet embarked upon total Non-co-operation with the Government in all matters and that our programme, being a progressive one is at present confined to definite items which do not include local bodies, we consider it unwise to extend it in this direction. What the situation demands is a clear pronouncement by the Congress on the subject, as considerable doubt prevails in the country as to whether or not it is open to Non-co-operators to seek election to these bodies. It is clear that these institutions do not stand exactly on the same footing as Legislative Councils. They enter more deeply into the daily life of the people. We find that experiments to introduce Non-co-operation into these institutions in various degrees are being tried in certain parts of the country. It is difficult to estimate the measure of success which will be obtained by these experiment. Whilst therefore we think that it will be unfair to the bodies concerned to check their activities towards Non co-operation, we do not feel that the time is ripe to call upon the country generally to follow their example. We therefore recommend that in order to clear the position it should be declared that it is desirable for Non-co-operators to seek election to Municipalities and District or Local Boards with a view to facilitate the working of the constructive programme, but that no hard and fast rules be at present laid down to regulate or restrict the activities of Non-co-operating members beyond advising them to act in harmony with local or Provincial Congress organisations.

#### (B) BOYCOTT OF GOVERNMENT EDUCATIONAL INSTITUTIONS

148. We are of opinion that the boycott of Government Educational Institutions is sound in principle and must be maintained as an ideal to be always kept in view and followed but we recommended a strict adherence to the Bardoli resolution in regard to them by

suspending for the present all active propaganda calling upon boys to come out of schools and colleges. As required by that resolution reliance should be placed upon the superiority of National schools for drawing scholars from Government Institutions and not upon picketing or other aggressive propaganda.

The first care of every province should be to put the existing National schools on a sound financial basis and improve their efficiency. The opening of new institutions without adequate provision for their support should not be encouraged.

#### (C) BOYCOTT OF LAW COURTS BY LITIGANTS AND LAWYERS

149. This boycott is also sound in principle and must be maintained as an ideal but litigants cannot be expected to avoid the Law Courts without being provided with an effective substitute therefor. Effort should therefore be concentrated on the establishment of panchayats and the cultivation of a strong public opinion in their favour. It is also necessary that provinces which have gone beyond the Congress resolutions in imposing disabilities upon practising lawyers as such should withdraw those disabilities and put these lawyers on the same footing as others who have signed the Congress creed and possess the requisite qualification for holding office under Congress organizations. The right of electors to elect whom they please should not be restricted by rule.

The principle of no defence and no bail should be followed by Non-co-operators accused of offences of a political nature but need not be extended to other cases Civil or Criminal in which parties should be left to their own discretion.

We therefore recommend that for the present workers should confine their activities to the establishment of panchayats and making them more efficient. We also recommend that all existing disqualifications of practising lawyers as such be removed.

#### (D) RIGHT OF PRIVATE DEFENCE

150. Apart from the risk of violence involved in the exercise of the right of private defence there is nothing in the Congress resolutions to prevent such exercise. It is well known that many Congressmen pledged to non-co-operation while believing in it as the only feasible course open to them have adopted non-violence as a policy, and not as a religious faith with the sole purpose of gaining the triple object of the movement. This is true generally of Mohammedans and also of a considerable number of Non-Muslims. The belief in the soundness of the principle being there, it makes no difference whether it is based on religion or prudence, and so

long as the policy is not definitely given up both schools of thought are bound to adhere to it with full faith and without the least attempt at evasion. We see no justification however to enforce the rule where the reason on which it has been based by the school of prudence does not exist and deprive non-co-operators of the legal and natural right of self-protection against lawlessness in all cases. But we would make it clear that in the course of carrying on Congress work or on occasions directly arising therefrom we are not at liberty to use force even in private defence of person or property. If physical force were permitted in self-defence against illegal action in respect of political work, there would be an end of non-co-operation. Outrages such as insults to religion or modesty of women or indecent assaults on boys and men are by their very nature excluded from the category of political cases, though advantage might have been taken of an occasion arising out of a political case. Against such outrages the right to use force in private defence is not taken away by non-co-operation. There may be difficulty in drawing the actual line of demarcation, but our immediate and most important need is to protect the movement from danger. By extending general permission to use force up to a clearly definable point even in matters arising out of Congress work, we would endanger the movement. We are advising not trained lawyers but laymen, and that too in respect of action under provocation. One of us (Mr. V. J. Patel) thinks that having regard to the humiliating and at times barbarous treatment meted out to non co-operators while actually engaged in Congress work and the further fact that it is impossible to draw the line beyond which it is not permissible to go, the full right of private defence as given by law should be reserved to non-co operators. The remaining members would rather have the individual suffer than risk any violation of the true principle or a general breach of the peace. The Committee has been deeply impressed with instances of cruel, unprovoked and disgraceful non-co-operators but the majority are not prepared to advise a resort to the right, undoubted as it is, without restrictions of the nature pointed out above.

We therefore recommend that individuals should be given full freedom to exercise the right within the limits defined by law except when actually engaged in carrying on Congress Work or on occasions directly arising therefrom subject always to the condition that it is not likely to lead to a general outburst of violence.

Our colleague Mr. V. J. Patel would omit the words "Except when actually engaged in carrying on Congress Work or on occasions directly arising therefrom."

**(A) ORGANISATION OF LABOUR**

151. The organisation of Labour with a view to raise the social and material condition of our workmen and to give them political education is undoubtedly a very pressing need. It cannot be denied that well-organised Labour Unions are very powerful weapons when properly utilized. One of us (Mr. V. J. Patel) has very pronounced views on the subject and we fully agree with him in believing that there can be no real Swaraj unless it has been won with the conscious support of the labouring classes. Having regard however, to the general situation, we are all agreed that for the present, it will be enough to carry out the Resolution of the Nagpur Congress which has unfortunately not yet been acted upon. That resolution runs as follows :—

That this Congress is of opinion that Indian Labour should be organized with a view to improve and promote their well-being and secure to them their just rights and also to prevent the exploitation (1) of Indian labour (2) of Indian resources by foreign agencies and that the All-India Congress Committee should appoint a committee to take effective steps in that behalf.

**(B) BOYCOTT OF BRITISH GOODS**

152. Three objections have been taken to the Boycott of British Goods by Mahatmaji. They are :—(1) "that it has been conceived as a punishment and can have no place in Non co-operation which is conceived in a spirit of self-sacrifice and is a matter of sacred duty" (2) that even as a measure of punishment it is not swift, certain, and adequate enough to produce the effect intended and (3) that it is thoroughly impracticable ('Young India', August 25, 1920).

With all due deference we confess our inability to follow the first two objections. So far as regards the first it is impossible to say of any boycott that there is no element of punishment in it, if punishment is taken to mean the causing of loss or harm to the offending party. The boycott of foreign cloth has already inflicted heavy punishment on Lancashire as will be evident from the extracts we give in Appendix and we hope and trust that the measure of such punishment will continue to increase day by day. It has also punished other foreign manufacturers and suppliers who have done us no harm and whose only offence has been to enter into a fair competition with the British manufacturers in the market which has been left open to all outsiders. There is not much suffering or self-sacrifice involved in the use of hand-spun and hand-woven cloth and the real recommendation for it is the betterment of our economic condition and the removal of the greatest cause of our poverty

which cannot be over-rated. But the boycott of any other foreign article which is possible to manufacture in the country has a similar recommendation, though not so strong, and if it is confined to British goods it has at least the merit of punishing only the guilty, leaving alone the innocent. It being then quite clear that the element of punishment cannot be separated from any boycott we see no reason why we should refrain from openly declaring that it is meant as a punishment for the untold hardships and humiliations we are being subjected to by all manner of means fair and foul. It is our right to use articles of a particular manufacture only and in enforcing the boycott of British goods we are only fighting repression by the exercise of an undoubted right.

As regards the second objection it would hold good if the boycott of British goods were the only punishment applied. But it may be safely asserted that all our activities if successful are bound directly or indirectly to result in some kind of punishment. Every one of them taken by itself is not "swift, certain and adequate enough to produce the effect intended." It is the cumulative force of all which alone can carry us towards the goal. Viewed in that light there can be no doubt that the boycott of British goods will materially help the general programme.

We recognise the force of the third objection and are therefore not prepared to recommend a wholesale boycott of all British goods, but it has been represented to us that it is possible to select certain British goods which can be safely boycotted without much inconvenience. The number of witnesses who favour such boycott is 99 against 77 who do not. In these circumstances while accepting the principle

We recommend that the whole question be referred to a Committee of experts for a full report to be submitted before the next Congress meets.

The question of boycott of foreign cloth stands by itself and should not be included in the reference.

[Note—The above view was agreed upon by all the members on the 13th October except Shriyut Rajagopalachariar who was not present. The draft was shown to him on the 17th October when he expressed his dissent verbally and promised to send a note later on as he was leaving Allahabad. The note was received on the 23rd October and is given below.

#### BOYCOTT OF BRITISH GOODS

##### *Shriyut C. Rajagopalachariar's note of dissent*

153. I have to express my respectful dissent from the opinions recorded by my colleagues about boycott of British goods.



It is needless to point out that so long as we seek to achieve our goal by the means planned by Mahatma Gandhi it would be the gravest mistake to introduce an addendum to his programme which according to his clear and repeatedly expressed opinion violates the basic principle of the programme. We are fighting a terrible and organised system of force with a new weapon conceived by Mahatmaji; and so long as we adhere to his scheme, it is fair neither to him nor to ourselves to tamper with the integrity and purity of his scheme in a matter considered by him as of essential importance. It would be a fatal mistake to accept Dr. Lister's assurance that we can safely cut and chop the living human body, if we do not strictly follow his advice and see that our instruments are clean and absolutely free from poisonous germs. We are undertaking the most serious steps conceivable on the basis of Mahatmaji's doctrine of freedom from hatred and it would be safe only so long as we keep that essential condition intact. But if we add any item to his programme which has to be carried out by intense and widespread propaganda necessarily based on a clear emphasis of the principle of retaliation, we create an atmosphere fatal to the preparation of the people for the further steps of non-violent disobedience or non payment of taxes and for the suffering contemplated in our programme. It would be much better to give up Mahatmaji's programme altogether than to attempt to carry it out, disregarding his most insistent advice and creating an unsuitable and fatal atmosphere.

#### NO CHANGE IN MAHATMAJI'S ABSENCE.

154. The proposal to boycott British goods as such is not a new one. Ever since Mahatmaji's guidance was accepted by us, this proposal was pressed on him again and again but was condemned and rejected by him. If his objections could be met properly, the leaders who now support the proposal had occasion and ample opportunity to convince him, or at least obtain his permission to add the item though it might not have his active support. But in view of its essential inconsistency with the basic principles of the main part of our programme, and the atmosphere of hatred which it would create and thereby render the rest of our programme impossible he never gave quarter to the proposal. It would be most unwise to push the proposal through now and obtain the endorsement of the National Congress to it, during the absence of our great leader and without hearing him, that is, if we do not set aside his principles altogether and proceed on totally different lines.

The great movement initiated by Mahatma Gandhi has appealed forcibly to the genius of the nation and obtained loyal attachment

from the millions of our people by reason of its spiritual appeal more than anything else. It has similarly extorted the admiration of the world including the best minds even among those ranged against us, for that same reason. We cannot afford to tamper with that spiritual cleanliness of the programme whatever seeming advantage we might imagine that we shall obtain thereby.

### MORE ABOUT HATRED

155. The arguments advanced by my colleagues, I have to say with the greatest respect, are based on an ambiguous use of the term 'punishment.' We may cause great loss to restaurant proprietors by cooking our food in our own houses but there would be no punishment or hatred in it, but to resolve to resort to all restaurants except one is quite a different thing and the feeling of hatred in that case should be obvious. By carrying out one's own duties to oneself or one's family or nation, one may cause injury, pain or loss to others, but it is neither punishment nor ill-will; but to prefer all others to one particular nation, for no reason of gratitude towards the former for any services rendered, or on account of any other bond of affection or attachment, and without any fulfilment of one's own duties is sheer hatred. To say that to obtain our birth-right of Swaraj, we so prefer others to the nation that holds us in bondage is to beg the question, *vis*, whether the means suggested is consistent with the principle of non-violence adopted by us for the attainment of Swaraj. To make our own goods, to abstain from luxuries, to avoid buying needless British goods and to prefer Indian-made goods to British goods are always recommended. These are not what is meant by boycott of British goods. The latter means setting up an agitation that the nation should favour buying the goods of non-British nations in preference to British. This is what has been repeatedly condemned and ruled out by Mahatmaji as contrary to his principles.

### KHADDAR IN JEOPARDY.

156. My esteemed colleagues make it clear that in approving of a policy of boycott of British goods, they do not intend that the Shuddha Swadeshi character of the cloth programme should be relaxed. They mean that we should adhere to Khaddar and not buy Japanese, or other non-British yarn or cloth. This may be the intention but I am certain that no intense propaganda can be carried on for boycott of British goods without affecting the mentality of people in respect of the cloth question also. We cannot in dealing with the millions of our countrymen make such reservations. Effects will be produced in a general way and not according to the

rule and line we draw. The non-British foreign yarn and cloth merchants and the Indian Mill-owners using foreign yarn and the numerous middle-men depending on these capitalists will take every advantage of the new policy. The present difficulties of the Khaddar campaign will be increased ten-fold.

What has so far achieved the most striking results is the concentrated Khaddar idea. This concentration we lose if we take up a programme covering all sorts of goods, while yet there is a very great deal remaining to be done even in respect of Khaddar. Nothing can be achieved, even if it were right, by merely passing a resolution of boycott of all or such and such British goods. It must, if seriously intended to be pressed, be followed up by intense propaganda; and this is sure to interfere with the concentration of effort over the cloth boycott which is admittedly the most important.

I concede that we may not succeed in weaning all people from hatred and ill-will towards a people that refuse freedom to us and are the cause of oppression and tyranny, and to delimit men's anger to the system and the tyranny and hold it back from the people that are responsible for the wrongs. But it is one thing to be unable to prevent a thing, quite a different thing to appeal to and encourage that very feeling.

A close and careful consideration of events will make it clear how Mahatmaji disarmed all open opposition to the Khaddar campaign by the elimination of boycott of British goods and by strict adherence to pure Swadeshi and yet at the same time succeeded in bringing about the most effective economic boycott. The disarming of opposition and the securing of moral advantage in the midst of the severest conflict is the peculiar strength and beauty of Mahatmaji's plans and are a result of the strict adherence to the principle of avoidance of hatred. It would be a mistake to deviate from this policy.

#### NO OBJECTION TO EXPERT COMMITTEE IF PRINCIPLE NOT CONCEDED

157. There is no objection to the collection and examination of facts by experts in any matter, but the acceptance of the principle by the All-India Congress Committee would mislead the nation and injury the movement. Even making people await the report of a committee expecting some great results and new proposals is mischievous, in as much as to that extent it encourages slackening of effort in one thing needed now, the completing of the cloth-boycott.

C. RAJAGOPALA CHARIAR

15th October, 1922.

*Note by Pandit Motilal Nehru*

158. It is unfortunate that the above note was received too late to admit of being considered by the other members before the issue of the report which has already been long delayed owing to unavoidable causes. It raises a much wider question than the boycott of British goods, and is calculated to engender serious misgivings in the minds of a very large number of staunch Congressmen and Non-co-operators. There has never been any doubt that by accepting the programme of non-violent non-co-operation the National Congress did not adopt all the views of Mahatma Gandhi expressed by him in his "Hindu-Swaraj" and from time to time in the *Young India* and elsewhere. Congressmen are only bound by the principles accepted and formulated by the Congress and not by every word or sentiment which might have found utterance from the lips of Mahatmaji. Many of his theories have yet to find favour not only with Congressmen generally but the country at large, and among them is the doctrine of *Ahimsa* and all that flows from it. The one common ground on which all non-co-operators meet is that violence in any shape or form is completely ruled out by existing conditions, and is wholly outside the pale of practical politics. It was on this basis and this basis alone that the policy of non-violent non-co-operation was recommended by Mahatmaji and accepted by the Congress. He made this perfectly clear in his memorable speech at Calcutta in 1920. The following extract from that speech deserves careful attention :—

"But I am not here to day to plead for that medium. I am to plead for the acceptance by the country of the programme of non-violent, progressive non-co-operation. Now all the words that I have used here are absolutely necessary and the two adjectives 'progressive' and 'non-violent' are integral parts of a whole. With me non-violence is of my religion, a matter of creed. But with the great number of Mussalmans non-violence is a policy, with thousands if not millions of Hindus, it is equally a matter of policy. But whether it is a creed or a policy it is utterly impossible for you to finish the programme for the enfranchisement of the millions of India, without recognising the necessity and the value of non-violence. Violence may for a moment avail to secure a certain measure of success but it could in the long run achieve any appreciable result. On the other hand all violence would prove destructive to the honour and self-respect of the nation. The Blue Books issued by the Government of India show that inasmuch as we have used violence : military expenditure has gone up not proportionately but in geometrical progression. The bonds of our slavery have been forged all the stronger for our having offered violence. And the whole history of British rule in India is a demonstration of the fact that we have never been able to offer successful violence. Whilst therefore I say that rather than have the yoke of a Government that has so emasculated us I would welcome violence. I would urge with all the emphasis that I can command that India will never be able to regain her own by methods of violence.

"Lord Ronaldsday, who has done me the honour of reading my booklet on

struggle for a Swaraj such as is described in that booklet. Now though I do not want to withdraw a single word of it, I would say to you on this occasion that I do not ask India to follow out to-day the methods prescribed in my booklet. If they could do that they would have Home Rule not in a year but in a day, and India by realising that ideal wants to acquire an ascendancy over the rest of the world. But it must remain a day dream more or less for the time being."

159. Again in the "Young India" of August 25th, 1921 Mahatmaji said :—

"Non-violence may succeed if it is adopted as a matter of policy rather than creed, if it is combined with courage and real love for the country or the cause. Hatred of the wrong-doer does not necessarily mean love of the country. Our difficulty arises from the fact that many people make a pretence of non-violence without believing in it even as a policy. The Ali Brothers believe in it purely as a policy, but in my opinion there are no two truer believers in non-violence as a policy than they. They do believe that violence can only hurt the cause, and that non-violence, if extensively practised, can entirely succeed. A man who honestly practises truth as a policy certainly gains its material results, but not the one who feigns truth."

Truth, courage and love for the country or the cause are essential for the purity of the movement and cannot be too strongly insisted upon, but even Mahatmaji with all his greatness and the inherent beauty of his faith has felt that the time has not yet come to incorporate it in the Congress creed. It is perfectly true that "hatred of the wrong-doer does not necessarily mean love of the country", but it is equally true that it may co-exist with the love of the country. It must be remembered that non-co-operation was an answer to the Punjab and Khilafat wrong. The horrors of the one and the bad faith of the other were not likely to engender love for the perpetrators of those wrongs. The distinction between want of love and hatred is too subtle for the average intelligence to grasp. It will take many years of preaching even for Mahatmaji to induce an Indian to love a Dyer and so long as Dyerism continues in this country it is futile to expect freedom from hatred. The evil is as old as the British rule in India which furnishes a long, uninterrupted story of insults and humiliations to which Indians of all classes have been subjected by Europeans, official and non-official. Scarcely a year has passed from the earliest days of the East India Company down to the present time without leaving behind a painful record of the offensive and irritating behaviour of the dominant to the subject race. But that is a very large subject. I refer to it here merely to show that you cannot remove the evil without removing the cause and that it is not in your power to remove the cause. The point is that Mahatmaji himself has disclaimed all intention of engrafting his "day dream" upon the political programme he has laid before the country and any attempt in that direction, if made by others is bound to end in disaster.

# PURE EXPEDIENCY THE ONLY BASIS

160. It may be conceded that freedom from hatred is the "basic principle" of the programme as conceived by Mahatmaji and accepted by a considerable number of his followers, but the only basis upon which the Congress as a whole has adopted it is one of pure expediency. The general feeling on the subject is well reflected in the statement of Syt. S. Srinivasa Iyengar who has considered the subject from the point of view of the practical statesman :—

*Extract from the examination of Mr. S. Srinivasa Iyengar by the Chairman*

Q.—What idea have you about the boycott of British goods?

A.—I am strongly in favour of it. Though Mr. C. Rajagopala Chariar differs from me, I am strongly in favour of boycott of British goods for political purposes. It is as much an experiment as the boycott of schools and I am for trying the experiment and there is a considerable section of opinion in favour of it. I have consulted the merchants in Calcutta.

Q.—It will have a material effect upon trade relations, upon trade investments in England. That will certainly not conduce to creation of harmony. There will be greater bitterness of feeling between the two races?

A.—They won't make such large imports as before. That compensates the greater amount of racial hatred and bitterness. For instance, I cannot say that non-co-operation does not produce racial hatred on either side. If you are true non-co-operators there is racial hatred in safe hands. But in the illiterate masses, there will be hatred. We cannot ensure there will be no hatred in all people.

## "RACIAL HATRED SAFE IN HIS HANDS"

161. In contrast with the above is the statement of Babu Rajendra Prasad, a follower of the principle of love and freedom from hatred. The following are the questions put to him by Syt. V. J. Patel and his answers :—

Q.—I want to know your opinion about the boycott of British goods. So far as cloth is concerned there can be no question that there should be boycott of foreign cloth in order that the cottage industry might thrive and people take to spinning as well as to looms and be self-supporting in that respect; but so far as other articles are concerned, wherever we don't get articles in India we can go to America, Japan and other countries. I would like to know whether you would advise, after an examination of the question by an expert, the boycott of certain specified goods by the country?

A.—Certain specified goods?

Q.—Yes, because all articles cannot be boycotted?

A.—No, I think it would be against the basic spirit of the present movement.

Q.—Is not the whole object of the N. C. O. movement to bring pressure upon the Government to come to settlement with us?

A.—The object is twofold, to strengthen ourselves, and secondly to put pressure upon the Government.

Q.—Take the question of strengthening ourselves. Take pencils. You are getting these pencils from Germany, Japan, America, etc. I say don't bring them from England but from any other country, how can your first position be affected?

A.—It is a question of mental attitude.

Q.—But can you kindly explain ?

A.—What I mean is this that we should use goods made in our country.

Q.—But where we have to go to other countries ?

A.—There the question of strengthening ourselves does not arise at all.

Q.—Now take the second point. Does not the boycott of British goods bring pressure upon the Government ?

A.—It does.

Q.—Then I may take it, where the first point does not arise at all, you have no objection to boycott the British goods in order to bring pressure upon the Government ?

A.—I think it is a question of mental attitude. It is to win our opponents by love and if anything goes against this attitude, we should not adopt it.

Q.—You are not able to put it higher than that ?

A.—If you like I can do.

Q.—If you feel you may do ?

A.—If it is a case of all goods then I am perfectly clear.

Q.—No, it is not the case of all goods, it is only in those cases where we don't get from other countries. If we could get those things from America, Japan and other countries, then why should we go to England ?

A.—I would prefer to be indifferent in the matter.

Q.—But you have already agreed that it would bring pressure ?

A.—Yes, it may.

Q.—And you are indifferent what attitude the Congress may take ?

A.—It may affect the basic principle, and our opponents whom we are winning by love.

Q.—So you think that this basic principle has not in any way been affected by the boycott of courts of the satanic Government nor has it been affected by the boycott of schools and colleges ?

A.—That does not affect those.

Q.—So there is no idea of bringing moral pressure to bear upon this Government ?

A.—We want moral pressure.

Q.—Where they would be affected materially, you would not do it ?

A.—Where they would be affected materially, I would not do it.

This statement amply justifies the conclusion arrived at by Syt. S. Srinivas Iyengar. Babu Rajendra Prasad makes a non-violent effort to love, but true non-co-operator as he is he ends in proving that "racial hatred is safe in his hands."

### GOVERNMENT'S VINDICTIVENESS

162. We see nothing but hate and vindictiveness on the part of the Government. Nameless horrors are being openly committed by its underlings not always without the knowledge of superior officers. There are vindictive arrests, vindictive prosecutions, vindictive sentences, vindictively carried out. Repression and terrorism stalk the land in their naked barbarity. Every means, fair and foul, is being used to oppress the non-co-operator. To deprive the oppressed of a clean weapon of defence at such a moment by preaching the sermon of love may be justified by high spiritual ideals but is poor ethics in political warfare. I enter my strong protest against the introduction into the political programme of the Indian

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National Congress of religious and moral theories which are not the common basis of all religions in India.

#### CONGRESS PROGRAMME ONE OF "PROGRESSIVE" NON-CO-OPERATION

163. The other points made by my esteemed colleague may be shortly disposed of. It is evident that he is not prepared to consider any change in the programme in the absence of Mahatmaji. If that be so it is useless waste of time, money and energy to hold any more sessions of the Congress until we have the benefit of Mahatmaji's presence and guidance. The history of the last two Congresses is a history of the changes introduced into the programme which by its very nature calls for periodical revision and alteration to suit the developments. It has been rightly described by Mahatmaji as a programme of "progressive non-co-operation" and it would be paying a poor compliment both to his teachings and his followers to ask the latter not to take one step forward without express orders from him. Besides it must be clearly understood that it is not every non-co-operator who has surrendered his own judgment to Mahatmaji's, great as is the faith of all in his inspiring leadership. Mahatmaji himself has never been known to approach any subject in the preliminary discussions and consultations except with a perfectly open mind. It is suggested that those who now support the boycott of British goods have failed to convince Mahatmaji of its propriety. There could be no question of convincing him when they are themselves not convinced even at the present moment as the very nature of the recommendation made clearly shows. It will depend upon the report of the expert committee whether the boycott is at all practicable. There were a number of boycotts in hand at the beginning and it was obviously unwise to add another, the practicability of which is not quite apparent to this day. The rigour of some of those boycotts is now relaxed and the whole object of the appointment of this committee is to explore new avenues of work to meet the situation which faces us to-day.

#### BOYCOTT, A DUTY TO THE COUNTRY

164. We have taken care to indicate the sense in which we have used the word "punishment" and as we understand the passage from the *Young India*, quoted at the opening of this section Mahatmaji has also used the word in the same sense. It is difficult to see where the ambiguity lies. The example of the restaurant proprietor would be a very apt one, but for the important omission that the refreshments he offers are unwholesome. British trade in a great measure prospers on the exploitation of India and although other countries might also have availed of our inexhaustible resources



they have not had a hand in crippling us and making us entirely unfit to use them. It is impossible to understand how it can be said that the boycott of British goods is being proposed for any reason other than that of fulfilling one's duty to one's country, and how it is any more induced by "sheer hatred" than the boycott of foreign cloth is. The motive behind both boycotts is one and the same, the difference being only in the degree of benefit to be derived from each.

#### BOYCOTT RECOMMENDATION—A PROPAGANDA IN ITSELF

165. We have made it quite clear that the question of foreign cloth stands on a different footing altogether. If the boycott of any specified goods of British manufacture is recommended by the Congress, that recommendation will carry its own propaganda with it and no special effort will be necessary to carry it out. The very fact of a buyer asking for a knife or a pair of scissors of any manufacture other than British will automatically create a propaganda which will soon begin to be felt in Sheffield and Birmingham. People are only waiting for a Congress mandate. The moment it is given it will become the talk of every home and bazar and not a single worker will be required to enforce it. There is thus no danger of the work in connection with the boycott of foreign cloth being interfered with.

I am sorry I have to send the above to the press as my own note, as it is impossible to have the opinions of the members from Madras, Bombay and Delhi in time for the issue of the Report to members before the 31st October which I am trying my best to do. Copies are however being sent to Delhi by special messenger and to Madras and Bombay by post and members are being requested to wire their agreement or dissent as the case may be. Their replies will be printed separately and pasted here.

*October 24th, 1922.*

*Motilal Nehru*

(N. B.)—Mr. Patel has wired his agreement with the above note.

(N. B. 2)—Syt. S. Kasturiranga Iyengar wired from Madras under date 28th October 1922 :—

"I adhere to resolution on boycott of British goods passed by majority of the Committee at Allahabad."

M. N.

## CHAPTER VIII

### CONCLUSION

#### DECISION RESTS WITH THE GAYA CONGRESS

166. We give a summary of our recommendations at the end of this chapter. It will be seen that on the main question of Civil Disobedience and all other points but three we are in full concurrence. On the question of the boycott of specified British goods to be recommended by an expert Committee and the question of the exercise of the right of private defence there are the majority views, and in each case the majority consists of 5 members and the minority of one though not the same member. But the most important point on which the Committee is equally divided is the propriety and expediency of Congressmen entering into the Legislative Councils. The final decision of this rests with the Gaya Congress, but it is meet and proper that a question of this gravity should be fully considered by the All-India Committee and the public at large before it is brought up for discussion at the open session of the Congress. Those of us who have recommended entry into the Councils with the object of putting an end to the present system which stands condemned on all sides consider it to be a practical and desirable measure of a character similar to Civil Disobedience and hold that the time has come to adopt it. Those who entertain the opposite view are equally emphatic in the opinion that entry into the Councils under any circumstances would be an entirely false and retrograde step to take and would result in a serious setback of the whole movement. We regret that it was impossible to reach unanimity on this important point. We are aware that a sharp difference of opinion on the subject is almost certain to arise among the members of the All-India Committee. This is unfortunate, but the question cannot be shelved for long and the situation has to be faced. Both views will soon be before the country and the one endorsed by the All-India Committee will undoubtedly carry greater weight though the final battle must necessarily be fought in the open Congress. Whatever line of action is eventually taken in this and other matters, Non-co-operators must in any case be prepared to undergo much greater sorrow and suffering than they have so far endured, terrible as it has been. The struggle is prolonged, the end is not in sight. But unless the laws of nature are reversed and the lessons of history belied, Freedom's battle has only one ending whenever it comes and that a glorious victory. Differences must, from time to time, arise about the

methods to be adopted and the course to be followed. Such differences are signs of a healthy and vigorous growth and need cause no alarm. Individual views on other matters of principle or practice may vary from time to time but loyalty to the Congress must remain the first and last unalterable article of faith with every true Congressman. We have stood many trials but greater trials still await us. We need all the strength and courage that the country can muster up. The only reliable and unfailing source of strength lies in the constructive work planned out at Bardoli. Our first and foremost duty is to push on with that work and protect it at all cost against attacks both from within and without. At the same time we must defend our national honour and self-respect at any sacrifice, if need be, with the best blood of the country. We have steadily kept these two essentials in view and have made no recommendation, whether unanimous or otherwise, which in the opinion of those making it, has not stood the test of satisfying either the one or the other.

#### DIFFERENCE OF METHODS NOT OF PRINCIPLES

167. There is and can be no difference of opinion among the various schools of thought in India as to the essential character of the constructive work or the equally essential need for defending our national honour and self-respect. A good deal has been said about fundamental differences of principles but those principles themselves relate only to methods and do not affect the essentials we have referred to. Making every allowance for such differences and eliminating matters in which any real conflict is likely to arise, we think there will be left a substantial residuum of good solid work in which all parties can join without any sacrifice of principle. We are conscious that the irresistible logic of facts has compelled us to say some hard things about the general attitude of Councillors and Co-operators throughout the country, but we must not be understood to mean that all Councillors and Co-operators are alike. Many of them have undoubtedly tried their best to work, if on lines of co-operation, in the right spirit, and no one is more ready than they to admit that they have failed by reason of the inherent defects of the system. Again we have direct evidence to show that at least one Council has done all that was possible under the circumstances. In fairness to the Behar Council we give below an extract from the evidence of Babu Rajendra Prasad :—

*Babu Rajendra Prasad to Pandit Motilal Nehru.*

Q.—In regard to the Minister I have only to ask this : Is there any complaint against them that in the Councils they have behaved in a manner in which, if they had been non-co-operators they would not have behaved, that is to say, have they done all that non-co-operators would have themselves done within the limitations

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under which they work? You say. "These men have grown grey in the service of the country?"

A.—I think there is no complaint against them.

Q.—They are called co operators and have gone into the Councils, but if a non-co-operator had gone into the Council and had worked under the limitation under which these people work, could he have done anything better?

A.—I don't think so.

Q.—In other Provinces there is a complaint that the Ministers and Councillors have not done all that they could have done?

A.—I don't think there is a complaint against the Ministers or against the Councillors generally in this Province, I won't say every member but members of Council generally.

The situation in the country demands that there should be only two parties, the Government and the people, but if that is not possible we see no reason why all parties should not meet on a common platform on questions of vital importance to the nation which can admit of no difference of opinion. The constructive programme of the Congress opens out a large and productive field for work by all who have the good of the country at heart. That we have a considerable number of selfless patriots among the Moderates has never been denied by any responsible Non-co-operator. Attempts on either side to convert the other to its own view have so far failed, and there seems to be no likelihood of success in that direction in the near future. But we venture to think that whilst agreeing to differ where difference is unavoidable it is possible to discover a common basis for joint action if both parties met in the right spirit. A beginning, however small, once made is bound to lead to very desirable results. In the course of our tour we noticed strong indications of a genuine desire in several parts of the country to work together on the lines we have suggested. As it is the highest duty of a Non-co operator to co-operate with his own countrymen, where possible we trust that those indications will develop into definite proposals at no distant date.

#### ABOUT GOVERNMENT THE LESS SAID THE BETTER

186. About the Government the less said the better. Never before were such enormities committed in this country in the sacred name of law and justice. The irony of it all is that this phase of Imperialism should have been reserved for a Government presided over by the Ex-lord Chief Justice of England. Is it possible to conceive that His Lordship is not aware that greater lawyers and jurists than he have found themselves unable to undertake the task upon which he has entered. We take the liberty to remind His Lordship of what Edmund Burke said in reference to the people of the thirteen colonies which subsequently became the nucleus of the present United States of America. He said:—

"The thing seems a great deal too big for my ideas of jurisprudence. It should seem to my way of conceiving such matters that there is a wide difference in reason and policy between the mode of proceeding between the irregular conduct of scattered individuals or even bands of men who disturb order within the State, and the civil dissension which may from time to time on great questions, agitated the several communities which compose a great Empire. It looks to me to be narrow and pedantic, to apply the ordinary ideas of criminal justice to this great public contest. I do not know the method of drawing up an indictment against a whole people."

Relying upon the above passage before the Parnell Commission, Lord Russel said :—

"I want to point out to your Lordships that in truth the attempt is here being made in which your Lordships are asked to assist to do what Edmund Burke declared had never been done, to draw an indictment against a whole nation. I say this for the purpose, not merely of stating what Burke says, but of pointing out the meaning of what he says. What does he mean by saying that you cannot indict a nation? He means that when a movement becomes the movement of a whole people that when there is a great national upheaval, the ordinary notions and rules of judicature borrowed from the Old Bailey and from NISI PRIUS have no relation to such questions; that you are dealing in a higher region and with a broader issue than any in which the mere ordinary rules of judicature will help you,"

Lord Reading in the year of grace 1922 is trying to achieve what Edmund Burke refused to attempt and Lord Russel declared to be outside the "mere ordinary rules of Judicature". Edmund Burke was dealing with a discontented population of not more than three millions at the time, and Lord Russel with a people who number less than five millions at the present day. Lord Reading is trying to gain the distinction of indicting a nation of three hundred millions under the Criminal law of India. Let his Lordship try. The three hundred millions make no defence and calmly await the result.

Ajmal Khan.  
Kasturi Ranga Iyengar.  
Rajagopalachari.  
M. A. Ansari.  
V. j. Patel.  
Motilal Nehru.

## SUMMARY OF RECOMMENDATIONS

### 1. CIVIL DISOBEDIENCE :—

(a) The country is not prepared at present to embark upon general Mass Civil Disobedience, but in view of the fact that a situation may arise in any part of the country demanding an immediate resort to Mass Civil Disobedience of a limited character, *e.g.*, the breaking of a particular law or the non-payment of a particular tax for which the people are ready, we recommend that provincial

Committees be authorised to sanction such limited Mass Civil Disobedience on their own responsibility if the conditions laid down by the All-India Congress Committee in that behalf are fulfilled.

(Unanimous.)

(b) We recommend the restoration of the resolution No. 2 passed by the All-India Congress Committee at Delhi on the 4th—5th November which gives Provincial Committees all the powers necessary to determine upon a resort to Civil Disobedience for any kind whatever, by cancelling Resolution 1, cl. 1, passed on the 24th—25th February to the extent it conflicts with that resolution ; provided that general Mass Civil Disobedience is not permissible.

(Unanimous.)

## 2. ENTRY INTO LEGISLATIVE COUNCILS :—

(A) The Congress and the Khilafat at their Gaya Sessions should declare that in view of the fact that the working of the Legislative Councils during their first term has, besides proving a great obstacle to the redress of the Khilafat and Punjab wrongs and the speedy attainment of Swarajya, caused great misery and hardship to the people, it is desirable that the following steps should be taken in strict accordance with the principles of non-violent non-co operation to avoid the recurrence of the evil :—

1. Non-co-operators should contest the election on the issue of the redress of the Punjab and Khilafat wrongs and immediate Swarajya, and make every endeavour to be returned in a majority.

2. If the non-co-operators are returned in a majority large enough to prevent a quorum they should after taking their seats leave the Council Chamber in a body and take no part in the proceedings for the rest of the term. They should attend the Council occasionally only for the purpose of preventing vacancies.

3. If non-co operators are returned in a majority which is not large enough to prevent a quorum they should oppose every measure of the Government including the budget and only move resolutions for the redress of the aforesaid wrongs and the immediate attainment of Swarajya.

4. If the non co-operators are returned in a majority they should act as pointed out in No. 2, and thus materially reduce the strength of the Council.

As the new Councils will not assemble till January, 1924, we further propose that the Congress Session of 1923 be held during the first instead of the last week of December and the matter be

again brought up for the issue of a final mandate by the Congress in view of the election.

*Recommended by*

*Hakim Ajmal Khan.  
Pandit Motilal Nehru.  
Syt. V. J. Patel.*

(B) There should be no change of the Congress programme in respect of the boycott of Councils.

*Recommended by*

*Dr. M. A. Ansari.  
Syt. C. Rajagopalachari.  
Syt. S. Kasturiranga Iyengar.*

### 3. LOCAL BODIES

We recommend that in order to clear the position it should be declared that it is desirable for Non-co operators to seek election to Municipalities and District or Local Boards with a view to facilitate the working of the constructive programme, but that no hard and fast rules be at present laid down to regulate or restrict the activities of Non-co-operating members beyond advising them to act in harmony with local or provincial Congress organisations.

*(Unanimous.)*

### 4. BOYCOTT OF GOVERNMENT EDUCATIONAL INSTITUTIONS

We recommend a strict adherence to the Bardoli resolution in regard to these by suspending for the present active propaganda calling upon boys to come out of schools and colleges. As required by that resolution reliance should be placed upon the superiority of National schools for drawing scholars from Government Institutions and not upon picketting or other aggressive propaganda.

*(Unanimous.)*

### 5. BOYCOTT OF LAW COURTS BY LITIGANTS AND LAWYERS

Effort should be concentrated on the establishment of panchayats and cultivation of a strong public opinion in their favour. We further recommend that all existing disqualifications imposed on practising lawyers should be removed.

*(Unanimous.)*

### 6. ORGANISATION OF LABOUR

Resolution No. 8 passed by the Nagpur Congress should be carried out without further delay.

*(Unanimous.)*

## 7. RIGHT OF PRIVATE DEFENCE

(A) We recommend that individuals should be given full freedom to exercise the right within the limits defined by law except when carrying on Congress work or on occasions directly arising therefrom subject always to the condition that it is not likely to lead to a general outburst of violence.

Using force in private defence in gross cases, such as insults to religion, outrages on modesty of women or indecent assaults on boys and men, is not prohibited under any circumstances.

*(All members except Syt. V. J. Patel.)*

(B) Full freedom to exercise the right within the limits defined by law should be reserved to non-co-operators subject only to the condition that it is not likely to lead to a general outburst of violence, and to no further conditions.

*(Syt. V. J. Patel.)*

## 8. BOYCOTT OF BRITISH GOODS

(A) We accept the principle and recommend that the whole question be referred to a committee of experts for a full report to be submitted before the next Congress meets.

*(All members except Syt. C. Rajagopalachari.)*

(B) There is no objection to the collection and examination of facts by experts, but the acceptance of the principle by the All-India Congress Committee would mislead the nation and injure the movement.

*(Syt. C. Rajagopalachari.)*



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# REPORT OF THE Khilafat Enquiry Committee On Civil Disobedience

*The following is the report of the C. D. Enquiry Committee appointed by the Central Khilafat Committee and of which Maulana Abdul Majid, Moule Abdul Qadir, Messrs. Moazzam Ali, Tasaddug Ahmad Khan Sherwani, Nawab Ismail Khan and Mr. Zahur Ahmad were the members.*

*All the signatories are unanimous in their recommendations. Only with regard to the entry into the Councils Mr. Zahur Ahmad records a note of dissent favouring such entry, and Maulana Abdul Majid while concurring with the majority gives a separate note embodying his religious opinion regarding Mr. Zahur's views.*

*The main recommendations of the Commission are as follows :—*

## PICKETING.

They recommend that the picketing of foreign cloth and liquor shops be resorted to at once.

## BOYCOTT OF COURTS.

The Commission uphold the boycott of Courts but places the following recommendations :—

(a) "In such Criminal cases as are connected with politics and present-day movements when launched by the Government with a view to crush the movement and persecute the national workers, it is necessary that acting upon the principle of boycott of courts no one should be allowed to participate or enter into defence."

(b) "While adhering to the principle of the boycott of courts regarding defence of cases institution and defence of those civil and revenue suits, which could not be compromised inspite of all efforts to settle them through the Panchayats or private mediation and which are liable to inflict great pecuniary losses, should not be censured."

*The above recommendation according to the report is based on a highly religious testimony.*

The report further recommends :—

(a) Organisation of National Service to facilitate lawyers to give up their legal practice.

(b) Consolidation of the Panchayats and framing uniform rules for their guidance by a Committee and Ulemas to induce people to abide by the decisions of the Panchayats.

The boycott of schools is recommended to be maintained and efforts be made to organise the new and improve the old ones.

### BOYCOTT OF COUNCILS.

Regarding the boycott of Councils the report says :—

"This item of the boycott of Councils in the non-co-operation programme has assumed considerable importance since some time past. The attitude of the moderates and the loyalists towards the recent policy of repression, the successful attempts of the Government for the infringement of rights and the use of all illegal methods in the name of law and order and so-called constitution have perturbed certain individuals in some parts of the country and gradual reaction from their original design is apparent. The Maharashtra party, for example, has openly declared it. But as far as the Mussalmans are concerned they seem to persist on boycott and as to working of the Councils the evidence is practically nil. The major portion of the reasoning of those favouring boycott is :—

(1) "The most important objection against the entry into Councils is the 'Fatwa', which is taken to be quite sufficient for the rejection of any argument to the contrary.

(2) "The second reason is the power of veto which is being obdurately used inspite of the fact that the present Councils are trying their best to co-operate with the Government. With the increase of strength and freedom of opinion in the Councils the power will be more frequently brought into action. Thus it is evident that those Councils will become an instrument for waste of time and a house of meaningless discussions.

(3) "The entry into councils will be a serious blow to non-co-operation movement and it is evident that all the reasons and arguments which are put forward in support of the Councils could be more or less brought forward in the case of other items of the non-co-operation programme as well.

(4) "The public will consider it to be the abandonment of the non-co-operation programme which is liable to lead to bad results.

(5) "Effective obstruction cannot possibly be created and hence this entry into Council will be useless.

(6) "In view of the present circumstances the Oath of Allegiance is also considered to be a hindrance to the entry in the Councils."

The arguments of the anti-boycott party are the following :—

(1) "Obstruction can be effectively put up and all powers of the Government except those of veto and ordinance can be taken away. And the frequent use of these two weapons by them will be a great help to our political propaganda and the country would thus

be prepared for a definite political action. This is the best way to defeat the present system of Government.

(2) "The Bureaucracy has a strong weapon in the form of constitution and the Government will be forced to go against the constitution itself if she resorts to those oppressions that are to-day being perpetrated in the name of constitution. Thus the truth about the present system and the intentions of the rulers will come to light in and outside India and no ground shall be left for any delusion.

(3) "The general opinion of the country will be plainly and clearly made known to the whole world.

(4) "At least this would put an end to the measures of repression through the Council.

(5) "There will be no way left for the minority.

(6) "Participation in electioneering campaign will be a most effective means of propaganda.

"This is the opinion of those who favour responsive co-operation. But the Mohamedans for the time being are not prepared to co-operate in any way whatsoever. A second scheme has also been brought forward to the effect that the elections be contested and on being elected the Government be urged to accede to the Triple Demands. In case of refusal, the elected members should abstain from attending the Councils thus necessitating re-election which should be similarly continued to be contested throughout. Thus the present system will be paralysed and it will be propaganda in itself. Besides this the "undesirable" Indians shall be kept out of the Councils. For the success of this scheme it is of absolute importance that non-co-operators be returned to the Councils in an overwhelming majority. As far as evidence goes there is sufficient reason to believe in the success of this scheme in many provinces.

Without discussing the merits and demerits of the proposals of these three schools of thought we have come to the conclusion that as far as the question of boycott is concerned, it has fortunately been made clear by Mr. Lloyd George in his recent speech. There is no ground for doubt now. The issue so far was ambiguous but has now been made clear by this speech. At present any action which deviates us from our present programme is likely to create dissensions and divide our united strength. Our opinion is that this Council controversy is premature.

So long as our leaders and best workers of the country are in jail, it is derogatory to our sense of respect and honour even to discuss such things. Even from practical point of view construction or destruction of a political system requires that the spirit of self sacrifice and power of action be first infused among the people. Therefore, our whole strength should be concentrated towards the

achievements of this end. It will be dangerous to divert public attention to other channels. There is ample time in future to discuss the propriety of contesting elections and we strongly suggest that the question be postponed for the present otherwise evil results are likely to ensue.

### NON-VIOLENCE

The commissioners are of opinion that the country has bravely withstood official repressions without any idea of retaliation. But in view of the fact that the Government on the one side is bent upon resorting to violence and high-handedness, that Indian women and the masses on the other hand consider that no right of self-defence in any form is permitted in any case whatsoever. Therefore the commissioners deem it their duty to declare the principle of non-violence and recommend that :—"Non-violence is obligatory in all cases in which one is apt to be put to hardships and troubles for his services for the Khilafat when discharging his own duties or in any action taken against him on account of his connections with the movement but in cases which are quite distinct from the above duties and incidents, every individual has a natural and necessary right of self-defence and self-preservation.

### CIVIL DISOBEDIENCE

Before discussing Civil Disobedience it is necessary to state that no Mussalman is bound to obey any law which is either opposed to or clashes with the commandments of God or the precepts of Holy Prophet.

The evidence adduced before us in this behalf discloses the general situation of the country to the effect that the strongest possible measures of repression have been brought into action all over the country by Government officers. Taking this into consideration, a major portion of the country favours early adoption of individual Civil Disobedience. Since the word Civil Disobedience has been misunderstood, it has been misconstrued and misapplied.

Of the orders and laws under which arrests and imprisonments are being made now-a-days, some are such as have in no way, even with greatest stretch, any bearing whatsoever upon our present efforts and activities. Some attitude which we as non-violent non-co-operators are incapable of violating, and our being charged under these is a direct slander. Every person who has the slightest knowledge of law can testify to the misapplication of Sections 144 and 107, C. P. C. Converting a fellow being to one's own political ideas by preachings and admonitions cannot legally be termed coercion, nor can mere propaganda be classed as offence for breach of peace.

Section 124-A has been given such a wide scope that no person can escape its clutches even if he utters a single word against the present Government. Section 153-A has been wantonly brought into use in contravention of its real significance. Mutual differences are misrepresented and non-co-operators are being convicted under false charges whereas after our clear statements and unambiguous declarations it must have been known to Government as to how groundless such charges were and how much opposed were they to our principles and actions. The right of association is a legal and very important natural right of individuals but even this has been decided to be taken away from us under Section 17, Criminal Law Amendment Act. Similar is the case with the Police and the Prevention of Seditious Meetings Acts. Consequently the current misapplication and misuse of law leave no room for their being tolerated and obeyed by any person and of course their non-compliance could not be termed as Civil Disobedience.

After considering all these matters we are of opinion that :—

(1) Under the present circumstances it would be premature to resort to mass Civil Disobedience.

(2) Every order which comes in the way of constructive programme deserves to be disobeyed and every individual has a right to disobey such order, and where such order is enforced against a district or a part of it the District Khilafat Committee be authorised to transgress and disobey that order.

### BOYCOTT OF BRITISH GOODS

The importance of the step requires that before its adoption a committee of experts and economists be appointed to report its findings to the Central Khilafat Committee.

### FOREIGN PROPAGANDA

(1) To promote and strengthen friendship with Islamic countries by means of papers, pamphlets and deputations to Islamic countries and

(2) To conduct propaganda by means of papers, pamphlets in Europe and America and on special occasions when absolutely necessary to send deputations.



# Opinion of Mr. C. R. Das

## President-Indian National Congress

Immediately after the report of the Civil Disobedience Enquiry Committee was out, Mr. C. R. Das issued the following statement to the Press expressing his opinion on the political situation in the country.

In my statement made to the Bengal Provincial Congress Committee on the 22nd of August shortly after my release I said among other things that in my opinion a change in the details of the Congress programme was necessary, but that I did not think it advisable to express my opinions on the whole situation before the Civil Disobedience Enquiry Committee had made its report. Now that the Committee has made its report I am free and I consider it to be my duty to place before the country a programme of work which the Indian National Congress should follow. At the very outset, I desire to make it perfectly clear that there is no reason for entertaining any feelings of doubt or despair. The work which the Congress put in during the last year and a half is, in spite of its defects and a good many defects, a marvel in history. It has succeeded in generating an ardent desire for Swaraj throughout the length and breadth of this vast country and it has proved beyond any doubt that the method of non-violent non-co-operation is the only method which we must follow to secure a new system of Government. We have to consider how best to apply that method to the existing circumstances of the country.

### RIGHTS OF PEOPLE UNDER "SWARAJ"

In my opinion at Gaya the Indian National Congress should commence its work for the year by a clearer declaration of the rights of the different communities in India under the Swaraj Government. So far as the Hindus and Mussalmans are concerned there should be a clear and emphatic confirmation of what is known as the "Lucknow



Compact." As regards the other communities such as Sikhs, Christians and Parsis, the Hindus and the Mahomedans, who constitute the bulk of the people we should be prepared to give them their just and proper share in the Swaraj Administration. I propose that the Congress should bring about a real agreement between all these communities by which the rights of every minority should be clearly recognised in order to remove all doubts which may arise and all apprehensions which probably exist. I include amongst Christians not only pure Indians but also Anglo-Indians and other people who have chosen to make India their home.

### CONGRESS AGENCIES IN EUROPE AND AMERICA

I further think that the policy of exclusiveness which we have been following during the last two years should now be abandoned. There is in every country a number of people who are selfless followers of liberty and who desire to see every country free. We cannot afford to lose their sympathy and co-operation. There should be established Congress agencies in America and in every European country. We must keep ourselves in touch with the world movements and in constant communication with the lovers of freedom all over the world.

### FEDERATION OF ASIATIC PEOPLES

Even more important than this is the participation of India in the great Asiatic Federation which I see in the course of formation. I have hardly any doubt that the pan-Islamic movement, which was started on a somewhat narrow basis, has given way or is about to give way to the great Federation of Asiatic Peoples. It is the union of the oppressed nationalities of Asia. Is India to remain outside this union? I acknowledge that all freedom must be won by ourselves but such a bond of friendship and love, of sympathy and co-operation between India and the rest of Asia and all the liberty-loving people of the world is destined to bring about a world peace. The world peace in my mind means the freedom of every nationality and I go further and say that no nation on the face of the earth can be really free when other nations are in bondage. The policy which we have hitherto pursued was absolutely necessary for the concentration of the work we took upon ourselves to perform, and I agreed with that policy whole-heartedly. To-day that very work demands a broader sympathy and a wide outlook.

## CHANGE IN CONGRESS PROGRAMME

Coming now to the question as to whether there should be any change in the existing programme of the Congress, I desire to emphasise two matters about which there can hardly be any doubt. In the first place I must point out that the whole controversy of "change or no change" proceeds on a somewhat erroneous assumption. The question is not so much as to whether there should be a change in the programme of our work, but the real question is whether it is not necessary now to change the direction of our activity in certain respects for the success of the very movement which we hold so dear. Let me illustrate what I mean by a reference to the Bardoli resolution. In the matter of boycott of schools and colleges the Bardoli resolution alters the direction of our activity but does not in any way abandon the boycott. During the Swaraj year the idea was to bring students out of Government schools and colleges, and if national schools were started they were regarded as a concession to the weakness of those students. The idea was, to quote again from the words of Mahatma Gandhi, "Political" and not "Educational." Under the Bardoli resolution however it is the establishment of schools and colleges which must be the main activity of national education. The idea is "educational" and if it still be the desire of the Congress to bring students out of Government schools and colleges it is by offering them educational advantages. Here the boycott of schools and colleges is still upheld but the direction of our activity is changed. In fact such changes must occur in every revolution, violent or non-violent, as it is only by such changes that the ideal is truly served. In the next place we must keep in view the fact that according to the unanimous opinion of all the members of the Enquiry Committee, Civil Disobedience on a large scale is at present out of the question, because the people are not prepared for it.

## ENTRY INTO COUNCILS

I am of opinion that the question of the boycott of the Council which is agitating the country so much must be considered and decided in the light of the circumstances I have just mentioned. I am not against the boycott of councils. I am firmly of opinion that the system of the Reformed Councils with the "steel frame" of the Indian Civil Service built over by a diarchy of deadlocks and departments is absolutely unsuited to the nature and genius of the

Indian nation. It is an attempt of the British Parliament to force a foreign system upon the Indian people. India has unhesitatingly refused to recognise this foreign system as a real foundation for Swaraj. I am always prepared to sacrifice much for a real basis of Swaraj, nor do I attach any importance to the question whether the attainment of full and complete independence will be a matter of seven years or ten years or twenty years. A few years is nothing in the life-history of a nation. But India cannot accept a system such as this as the foundation of our Swaraj. The country has therefore made up its mind either to mend or to end these Reformed Councils. Hitherto we have been boycotting the Councils from outside. We have succeeded in doing much. The prestige of the Councils is diminished, and the country knows that the people who adorn the Council Chambers are not the true representatives of the people. But although we have succeeded in doing much, these Councils are still there. It should be the duty of the Congress to boycott the Council more effectively from within as also from without.

The Reformed Councils are really a mask which the bureaucracy has put on. I conceive it to be our clear duty to tear this mask from off their face. To end these Councils is the only effective boycott. A question has been asked as to whether it is possible. I think it is possible if non-co-operators get the majority, and I believe that having regard to the present circumstances of the country they are likely to get the majority. I am aware of the difficulties of the franchise. I am aware of the rules which prevent many of us from entering the Councils. But making every allowances for all these difficulties I believe that we shall be in the majority. In any case we should adopt the recommendation of Hakim Ajmal Khan, Pandit Motilal Nehru and Mr. Patel in postponing the ultimate decision till the Congress of 1923, but in the meantime standing for election. If we stand for election in the beginning of 1923 the results will be declared before the Congress of 1923 and then we can proceed on facts and not on assumptions. The question is also, supposing we are in a majority, what are we to do? We should begin our operations by a formal demand of the particular way in which we desire to mend the councils. If our demands are accepted we have obtained a real foundation of Swaraj. If our demand is not recognised we must non co-operate with the bureaucracy by obstructing everything, every work of the council. We must disallow the entire budget. We must move the adjournment of the House on every possible occasion. In fact we must so proceed that the Council will refuse to do any work unless and until

our demands are satisfied. I am aware of the large powers of veto which the Governors can exercise under the Reforms Act. Let them govern by veto till the time must come when they must either yield to our demands or withdraw the Reforms Act. In either case it is a distinct triumph for the nation and either course must bring us nearer to the realisation of our ideal. It has also been suggested that the bureaucracy will never allow the non-co-operators to enter the councils. They will alter the rules to prevent such entry. I cannot conceive of anything better calculated to strengthen the cause of non-co-operation than this. If any such rule is framed I should welcome it and again change the direction of our activities. The infant nationality of India requires these constant struggles for its growth and development. It follows from the course I recommend that it would be the duty of the Indian National Congress to frame a clear scheme of what we mean by a system of Government which is a real foundation of Swaraj. Hitherto we have not defined any such system of Government. We have not done so advisedly as it was on the psychological aspect of Swaraj that we concentrated our attention. The nation to-day is burning with a desire for the attainment of Swaraj. It is the duty of the Congress therefore to place before the country a clear sketch of the system of Government which we demand. "Swaraj", I know, is indefinable and it is not to be confused with a particular system of Government. Yet the national mind must express itself and although the full outward expression of Swaraj covers and must necessarily cover the whole life-history of a nation the formulation of such a demand is necessary to-day.

### BOYCOTT OF SCHOOLS AND COLLEGES

With regard to the question of the boycott of schools and colleges, I am still of opinion that such a boycott should be carried on as effectively and in the same way as before. I, however, agree with the recommendations of the Enquiry Committee that proper schools and colleges should also be started.

### BOYCOTT OF COURTS

With regard to the question of the boycott of lawyers and legal institutions, I accept the main recommendations of the Committee.

Many questions have been raised whether the right of defence should be allowed or not and in what cases and for what purposes. I have never been in love with the formal rules, and I think it is impossible to frame rules which will cover all the circumstances which arise in particular cases. All that I desire to insist is the keeping in view of the principle of the boycott of courts.

### HINDU-MOSLEM UNITY

With regard to the questions of the Hindu-Moslem unity, untouchability, and such matters, I agree with the recommendations of the Enquiry Committee. I desire to point out however that true unity of all sections of the Indian nation can only be based on a proper co-operation and the recognition by each section of the rights of the others. We will do little good to the section known as untouchables, if we approach them in a spirit of superiority. We must engage them in the work before us and we must work with them side by side and shoulder to shoulder.

### USE OF "KHADDAR"

I now come to the question of *Khaddar* which I regard as one of the most important questions before us. On this point I quote from my statement made to the Bengal Provincial Congress Committee on the 22nd of August. I am opposed to the manufacture of *Khaddi* on a commercial basis. Our ideal is to make the people of this country self reliant and self-contained. This work is difficult but essential and should be carried on with all our strength. I would much rather that a few families became self-contained than factories be started on a large scale. Such factories represent a short-sighted policy and though no doubt they would satisfy the present need they must inevitably create an evil which it would be difficult to eradicate. It is often stated that *Khaddar* alone will bring us Swaraj. I ask my countrymen to consider in what way it is possible for *Khaddar* to lead us to Swaraj. It is in one sense only that the statement may be said to be true. We must regard *Khaddar* as the symbol of Swaraj. But what would that symbol signify? To my mind such a symbol-worship requires the spreading out of all non-co-operation activities in every possible direction. It is only thus that the speedy attainment of Swaraj is possible. I am further of opinion that the Congress should take up the work of the organisation of the labourers and peasants more effectively

than it had hitherto been done. *In conclusion*, I ask all sections of our countrymen to follow the ideal of Swaraj and the method of non-violent non-co operation, to stop all rambling and fruitless disputes and discussions, to approach the circumstances with a broad mind and without indulging in doctrinaire theories, to make an united effort to reach the goal. To-day I repeat the message of hope with which we started. Despair is not for us. Petulance and pride, anger and annoyance are not for those who must sacrifice themselves for Swaraj. The life of the nation manifests itself in many ways and in many directions. We must embrace each and every one of these and march on with the banner of Swaraj and non-violent non-co-operation in our hands.



Report of the  
**Inchcape Committee**





# REPORT OF THE Indian Retrenchment Committee.

**DELHI—MARCH 2ND, 1923.**

**Historical.**—The demand for the appointment of a Committee to scrutinise the expenditure of the Govt. of India, especially of the scandalous and lavish way in which the Military and Railway Budget was framed, was very strongly urged by the non-official Indian Members in the first year of the existence of the Reformed Central Legislature. It was about this time that the Geddes Committee was sitting in London to effect post-war retrenchments in public expenditure in England. The Indian demand was however treated with contumely and the Government of India solemnly protested in the face of a strong case made up by the non-officials that no retrenchment was possible with due regard to "Law and Order" in the country. Next year the same demand was urged, as the Legislative Assembly had to agree to a taxation of many crores of rupees to save the Govt. from bankruptcy. Eventually Lord Reading was prevailed upon to appoint the Indian Retrenchment Committee on 8th May, 1922 and Lord Inchoape was nominated as the Chairman. Lord Inchoape was the guiding figure in the Geddes Committee in England and but for him, it was well understood in England, Sir Eric Geddes, the Chairman of the British Committee, whose name has since become historic in connection with the drastic cuts in the British budget, could not have handled British finances in the very able and business-like way he did.

The Inchoape Committee began its work in London in August 1922. Lord Inchoape came over to India on November 3rd. and the Committee met for the first time in Delhi on November 8th 1922. The Committee was composed as follows.—

The Right Hon'ble LORD INCHOAPE, G.O.M.G., K.C.S.I., K.C.I.E  
(*Chairman*),

Sir THOMAS SIVEWRIGHT CATTO, Bart., C.B.E.

Mr. DADIBA MERWANJEE DALAL, C.I.E.

Sir RAJENDRA NATH MOOKERJEE, K.C.I.E., K.O.V.O.

The Hon'ble Sir ALEXANDER ROBERTSON MURRAY, Kt., C.B.E.

The Hon'ble Mr. PURSHOTAMDAS THAKURDAS, C.I.E., M.B.E.

Mr. H. F. HOWARD, C.S.I., C.I.E. (*Secretary*).

Mr. J. MILNE (*Attached Officer*.)

### The Terms of Reference were

"To make recommendations to the Government of India for effecting forthwith all possible reductions in the expenditure of the Central Government, having regard especially to the present financial position and outlook. In so far as questions of policy are involved in the expenditure under discussion, these will be left for the exclusive consideration of the Government, but it will be open to the Committee to review the expenditure and to indicate the economies which might be effected if particular policies were either adopted, abandoned, or modified."

On March 2nd, 1923 the Retrenchment Committee headed by Lord Inchcape waited on His Excellency the Viceroy and presented its report. The Report occupies 294 closely printed Foolscap pages. It is unanimous, and recommends net reductions amounting to 19½ crores. The report points out, however, that it will not be possible to secure in the ensuing year the complete reductions proposed and some time must elapse before full effect is reached. Further large terminal payments will in some cases be necessary. The committee's reductions have a reference to the budget estimates for the current year 1923-24.

The Main cuts are :—

Military expenditure	10.50 Crores.
Railways ...	4.50 Crores.
Posts & Telegraphs	1.30 Crores.

The following is a summary of the recommendations made. The first two Parts of the Report, dealing with Military and Railway Expenditure have been reproduced in full in this volume while the remaining chapters have either been digested or only the recommendations have been given. Some of the more important of the very numerous tables which are given in the report have been reproduced on page 373 *et sequet*.

## SUMMARY OF RECOMMENDATIONS

### MILITARY SERVICES.

The Committee recommend the total net budget for 1923-24 to be fixed at 57½ crores, subject to addition as may be necessary on account of the delay which must ensue in carrying out

the proposed changes. The reduction of 10½ crores on the net budget for 1922-23 is made up as follows :—

(1) Reduction in the strength of the fighting services, saving 3 crores, namely.—

- (a) reduction of 5,760 British infantry by reducing the peace establishment battalions from 1012 to 884 per battalion,
- (b) reduction of three British cavalry regiments, (c) reduction of artillery establishments involving a saving of 10 per cent. in the expenditure ; (d) reduction of 6,643 from the Indian troops by reducing the peace establishment from 806 to 766 per battalion in the 80 active battalions now maintained and by reducing the strength of the training battalions by 50 per cent.

(2) Steps to be taken to organise an effective reserve, thereby enabling the peace strength of Indian battalions to be reduced to 20 per cent. below the war establishment.

(3) Considerable reductions to be made in motor vehicles by economies of running.

(4) Supply services to be re-organised on a less expensive basis and the stocks reduced, particularly of ordnance stores.

(5) Reduction of 67 lakhs in the expenditure on military works.

(6) The Royal Indian Marine Service to be drastically curtailed and reorganised, the three existing troop-ships to be laid up until sold and various other vessels scrapped.

The Committee add that the reductions suggested by them have been agreed to generally by the Commander-in-Chief, but that they recognise that in a great administration such as the army in India of which he is the responsible head, in working out the reductions and in giving effect to them he may find it desirable to make some minor modifications which may result in greater expenditure under one head and reduced expenditure under another and that they consider that, so long as the increase involved is more than counter-balanced by the reduction, the actual working out of details should be left in his hands. The Committee say :—

“We do not, however, consider that the Government of India should be satisfied with a Military Budget of Rs. 57 crores, and we recommend that a close watch be kept on the details of military expenditure with the object of bringing about a progressive reduction in the future, should a further fall in prices take place. We consider that it may be possible, after a few years, to reduce the Military Budget to a sum not exceeding Rs. 50 crores, although the Commander-in-Chief does not subscribe to this opinion. Even this is more, in our opinion, than the tax-payer in India should be called

upon to pay, and though the revenue may increase through a revival of trade, there would, we think, still be no justification for not keeping a strict eye on Military expenditure with a view to its further reduction.

"Having reviewed the expenditure of the Military Services, we recommend that (1) the total net Budget for 1923-24 be fixed at Rs. 57,75,00,000, subject to such addition as may be necessary on account of the delay which must ensue in carrying out the proposed changes, and (2) military expenditure after a few years be brought down to a sum not exceeding Rs. 50 crores."

### RAILWAYS.

The Committee's remarks on Railways occupy 30 pages of the report and contain many criticisms from a business point of view of the way in which money has been spent on renewals and replacements. The Committee draw prominent attention to the expenditure on certain lines which are at present unremunerative. They also consider that the increase of locomotives and rolling-stock has in certain cases outstripped the present traffic requirements. The Committee recommend that the expenditure on unremunerative lines should be curtailed. As regards railways as a whole they consider that steps should be taken to curtail the working expenses as necessary to ensure that under normal conditions an average return of at least five and a half per cent. is obtained on the capital invested by the State. They also recommend that the present system of programmes of revenue and expenditure should be abolished, adequate financial provision being made annually by each railway for the maintenance and renewal of the permanent way and rolling stock.

As regards administration, the Committee recommend that the Agents of railways be designated General Managers and be made responsible for the administration, working and financial results of their railways. They strongly recommend the immediate appointment of an experienced financial adviser to ensure that financial considerations are given due weight before expenditure is incurred. Of the total reduction of four and a half crores on the 1922-23 budget, 2 crores 60 lakhs is to be effected in the programme of revenue and the remainder on the ordinary working expenses.

### POSTS AND TELEGRAPHS.

A reduction of one crore and 30 lakhs, exclusive of a reduction of 50 lakhs in capital expenditure on the Telegraph department, is

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proposed, the reductions to be effected mainly by the following measures ;—

- (a) Reduction in the post and telegraph staff by 25 lakhs ;
- (b) Sundry reductions amounting to 7 lakhs in the cost of conveyance of mails ;
- (c) A reduction of 9 lakhs in the construction and maintenance of postal buildings chargeable to revenue ;
- (d) Reserve stock of stores limited to nine months' supply and a saving in the purchases of stores of 54 lakhs ;
- (e) A reduction of 7 lakhs in house and travelling allowances of the staff ;
- (f) A reduction of 15 lakhs in supplies, furniture and contingencies ;
- (g) Dismantling of obsolete wireless stations ; and
- (h) Reduction of 7.34 lakhs made up of a number of small items, in the Indo-European Telegraph department.

#### GENERAL ADMINISTRATION.

A reduction of 51 lakhs, of which 16 lakhs merely represents transfer to the head 'Interest in respect of management of debt' and has been excluded from the aggregate total.

The principal items making up the remainder are :—

- (a) Sundry reductions in the number of peons and in contingent charges in all departments of the Secretariat ;
- (b) Re-allocation of business as at present conducted by the Commerce, Industries, Revenue and Agriculture, Education and Health, Public Works and Railway departments ; the Railways and Posts and Telegraphs to be grouped into a single portfolio, the activities of the remaining departments mentioned above being curtailed and concentrated into two departments, namely, Commerce and General, representing a saving of 14 lakhs. These proposals involve the delegation of purely administrative work connected with customs, salt and opium to the present Board of Inland Revenue, which will be somewhat enlarged, the extra cost being included in the above estimate of savings, tariffs to continue to be administered by the Commerce department.
- (c) Abolition of the appointment of Inspector-General of Irrigation ;
- (d) The functions of the Central Intelligence Bureau to be curtailed and a saving of 4 lakhs effected in case of attached offices, involving *inter alia* the abolition of the post of Educational Commissioner ;

(e) The grant-in-aid from the Treasury to the cost of the India Office to be reviewed and the net cost to the Indian revenue reduced by £ 48,700 under general administration and £ 2,700 under stationery and printing ;

(f) Net cost of the High Commissioner's office to be reduced by £ 52,000 under general administration and £ 2,000 under stationery and printing.

#### MISCELLANEOUS CUTS.

The figures in the undermentioned heads indicate the reductions in thousands of rupees :—

Land Revenue 397, consisting mostly of reduction in the North-West Frontier Province ; Excise 13 ; Registration 4 ; Ecclesiastical 200, to be effected by savings on the five chaplains already abolished and leaving unfilled 16 vacancies which will arise from the retirements next year.

Scientific departments, 3000, the main items of reduction being —

(i) the restriction of survey work and the number of survey parties, (ii) leaving unfilled certain vacancies in geological survey, (iii) restriction in the purchase of quinine, (iv) list of protected monuments to be curtailed and the provision for preservation of ancient monuments and gardens under Archaeology to be reduced by 6 lakhs.

Education 519, consisting of miscellaneous reductions in minor administrations, on grants-in-aid, the establishment of the new University at Delhi to be reconsidered.

Civil Aviation 33, mainly by reduction of the post of chief inspector.

Miscellaneous department 1118, due mainly to (i) a further reduction in the Commercial Intelligence department, (ii) an automatic saving on the Census charges, (iii) restriction of the activities of the Indian Stores department, (iv) the abolition of the separate appointment of an Indian Trade Commissioner in London, his duties being transferred to the High Commissioner with a provision of £s 2,000 for establishment ; famine relief 27 ; territorial and political pensions 108 ; superannuation allowances and pensions 632 ; medical services and public health to be combined under the Director-General, abolishing the separate post of public health Commissioner and the Director of Medical Research also to be abolished, his duties being taken over by the Director, Kasauli Institute. The payment of the research officers shown in the demands as " bacteriological

officers" is to cease to be made from the central revenues and the grant-in-aid to the Research Fund Association to be discontinued, the association to utilise the accumulated funds of 33½ lakhs derived from Government contribution and earmarked for a new central institute on the maintenance of medical research. The reduction of the purchase of stores for the X-Ray Institute is 127. Miscellaneous savings under both heads in minor administrations are 303. The total savings under both heads are 1,419.

Under Salt a reduction has been made to the extent of 1,950 and in opium 2,000. In civil works 1,530 by reductions in the provision for new works and repairs and the amalgamation of the establishments in Rajputana and Central India; Stationery and Printing 1,037 by reductions in Government presses and allowances for less consumption and lower prices of paper.

Forests 690. The Committee urge the necessity of the development of forests on commercial lines and for a radical change in methods of administration. They recommend that the control of forests under the central Government be vested in a Manager with commercial experience assisted by technical experts. They also recommend the reconsideration of the expenditure on the Dehra-Dun Forest Institute.

Agriculture 286. The Committee recommend that two of the military dairy farms be transferred forthwith to the Agricultural department; that the necessity for retaining the Sugar Bureau be examined and that the Mukteswar Institute be placed on a self-supporting basis.

Jails 480; these reductions are mainly the result of a special local enquiry by the Govt. into the expenditure of the Andamans.

Ports and pilotage 211; the Committee recommend that early steps be taken to make these services entirely self-supporting.

Audit 376, by the reduction and conversion of certain appointments; it is recommended that the possibility of separating accounts and audit be examined and simplification of rules considered. As regards currency the Committee examined the relative cost of the silver rupee and the one-rupee note and consider that, if, as appears to be the case, a saving would accrue from the discontinuance of the one-rupee note, the issue of these notes should be abandoned.

Mints 412; the Committee recommend the retention of two mints with the lowest possible establishment and that the possibility of closing the silver portion of the Calcutta Mint and the nickel portion of the Bombay mint be explored.

In a special chapter on 'Pay and Leave Allowances' the Committee indicate a heavy increase in expenditure, particularly in



the subordinate services and recommend a special enquiry owing to the fall in the prices. They also recommend modifications of the travelling allowance rules and indicate the necessity of revising present leave rules as being too liberal and expensive.

In the last Chapter the Committee conclude their remarks after making some general observations and a detailed list is given of the reductions proposed. (See pp. 368—72.)

# Report of the Inchcape Committee

## PART I

### MILITARY SERVICES.

#### INTRODUCTORY REMARKS.

The estimate of net expenditure for 1922-23 compares with the revised estimate for 1921-22 and the actual net expenditure of 1913-14 as follows :—

	Rs.
1913-14, Actual Expenditure ...	29,84,41,000
1921-22, Revised Estimate ...	69,34,69,000
1922-23, Budget Estimate ...	67,75,26,000

2. The large increase in the expenditure on the military services is the direct outcome of the war and may be attributed to five main causes :—

- (i) The general rise in prices.
- (ii) The enhanced rates of pay granted to all ranks.
- (iii) Improvements in the standard of comfort of the troops.
- (iv) Additions to and improvements in equipment, etc., and the adoption of a higher standard of training.
- (v) The increase in non-effective charges from Rs. 5 crores before the war to Rs. 9 crores at the present time.

3. We appreciate the great difficulties with which the military authorities in India have had to contend during the transition period from war to peace conditions, when large armies had to be demobilized concurrently with reorganisation undertaken in the light of the lessons of the war. Hostilities with Afghanistan and operations on the Frontier intervened while demobilization was in progress, and the growing cost of the army coupled with a deterioration of the general financial position of the country have more than once necessitated the complete revision of schemes proposed for the future composition, organisation and distribution of the Army in India.

4. The expenditure which has been incurred in the past may have been inevitable, but the question is whether India can afford to maintain military expenditure on the present scale as an insurance against future eventualities. In our opinion the repeated deficits of the last few years, in spite of the imposition of heavy new taxation, have made it abundantly clear that India cannot afford this expenditure.

So long as peace conditions obtain, the first essential is for India to balance her budget, and this can only be secured by a very substantial reduction in the military estimates. In this connection it must be remembered that the budget estimate for 1922-23 did not

represent the full annual expenditure which would have been incurred on the military services but for certain fortuitous circumstances ; the strength of the army was under establishment, purchases of supplies were below normal, as there were large accumulations of stocks of provisions, clothing and other stores, and the estimate also assumed large non-recurring receipts from sales of surplus war stores and other sources. Further we understand that inadequate provision was made for the maintenance of the Royal Air Force, and that considerable additional expenditure will be necessary in future years. If allowance were made for these factors, the expenditure required for 1922-23 would have been as follows :—

	Rs.
Budget Estimate for 1922-23 ...	67,75,26,000
Shortage of establishment ...	64,00,000
Reduction in stocks ...	1,62,99,000
Sale of surplus stores and receipts from arrear payments, etc. ...	88,57,000
Addition required for Air Force say ...	47,00,000
<b>TOTAL</b>	<b>71,37,82,000</b>

5. Considerable public attention has naturally been displayed on the subject of the future policy with regard to Waziristan and we have reviewed this question in its bearing on the finances of India. We are informed that there is no idea in the mind of the Government of India of continuing a forward policy of military domination up to the Durand line at the present time, and that the idea has been abandoned. It is impossible to estimate what expenditure will be required in Waziristan in 1923-24 until the military and political situation is cleared up, but we understand that the Govt. have in view a policy which aims at early and substantial reduction.

6. We now deal with the expenditure of each of the four services, which is as follows :—

	1913-14.	1921-22.	1922-23.
	Rs.	Rs.	Rs.
Army ...	27,87,45,000	61,82,42,000	60,42,30,000
Royal Air Force ...	41,000	1,34,29,000	1,41,00,000
Royal Indian Marine ...	63,49,000	1,03,91,000	1,36,99,000
Military Works ...	1,33,06,000	5,14,07,000	4,54,97,000
<b>TOTAL ...</b>	<b>29,84,41,000</b>	<b>69,34,69,000</b>	<b>67,75,26,000</b>

# ARMY EXPENDITURE.

The estimate of net expenditure in 1922-23 compares with the revised estimate for 1921-22 and the actual expenditure in 1913-14 as follows :—

	Ra.
1913-14, Actual Expenditure ...	27,87,45,000
1921-22, Revised Estimate ...	61,82,42,000
1922-23, Budget Estimate ...	60,42,30,000

An analysis of the expenditure under the main headings is attached as Appendix A. It will be observed that there has been a total increase in the net cost of the Army since 1913-14 of Ra. 32,54,85,000 or 117 per cent, and that this increase is distributed over all the important headings.

## STRENGTH OF THE ARMY.

2. The total authorised establishment of the Fighting and Administrative Services, exclusive of Aden, Persia and the Colonies and omitting reservists and auxiliary and territorial forces, was 309,893 on 1st April 1922 compared with 301,502 on 1st April 1914 made up as follows :—

---	FIGHTING SERVICES,				Administrative Services.		Total.		Increase or decrease.
	Army.		Air Force.						
	1914.	1922.	1914.	1922.	1914.	1922.	1914.	1922.	
British Troops	76,244	68,686	...	1,859	3,816	7,206	80,090	77,751	-2,339
Indian Troops	155,437	144,617	...	2	2,213	25,988	156,650	170,557	+ 13,907
Civilians	...	...	...	84	5,477	10,007	5,477	10,091	+ 4,614
Followers	19,763	20,498	...	1,198	*39,532	29,798	59,285	51,494	-7,791
Total ...	250,444	233,801	...	3,143	51,058	72,949	301,502	309,893	+ 8,391
Increase or decrease	-16,643		+ 3,143		+ 21,891		+ 8,391		+ 8391

\* Includes about 14,000 Mule drivers of Animal Transport units and 6,000 men of Army Bearer and Hospital Corps who were followers before the war but who have since been granted " combatant " status for rations, etc.

This table shows that although a considerable reduction has been effected in the strength of the fighting services, this has been more than set off by the increase of staff employed in the administrative services, and the total establishment has increased by 8,391. A detailed analysis of the personnel is given in Appendix B.

Apart from financial considerations the strength and distribution of the army necessary for the defence of India and the maintenance of internal security are matters which we feel must be left largely in the hands of His Excellency the Commander-in-Chief.

### FIGHTING SERVICES

3. Since 1913-14 the fighting efficiency of the army has been increased enormously by the introduction of modern rifles, machine guns, etc., and, while we are informed that, so far as external menace is concerned, there has probably been a relatively greater improvement in the equipment of neighbouring tribes and the Afghan forces, it must be borne in mind that a large portion of the army is maintained for internal security.

4. *British Infantry*.—Of the total 70,545 British troops in India, including 1859 Air Force, 46,200 are infantry, the strength of which has been reduced by 6,056 officers and men since 1913-14 or by 11·2 per cent. There are now 45 Battalions of British Infantry compared with 51 in 1913-14 but although the fighting efficiency of each of these units has greatly increased, no reduction has taken place in the composition of the battalions. On the contrary the peace strength of these units has been considerably increased as shown below :—

	1913-14	1922-23
British Officers . . .	28	28
British Other Ranks . . .	1,004	1,012
Indian Ranks . . .	...	45
Followers, Class I . . .	37	25
"    "    II . . .		48
TOTAL .	1,069	1,158

It will be observed that the number of British Other Ranks on the peace establishment has increased from 1,004 in 1913-14 to 1,012 in 1922-23 and that the strength of the unit has also been

increased by the addition of 45 Indian ranks to act as mule drivers for machine guns and 36 followers for miscellaneous duties, e.g., cooks, tailors, etc. On mobilisation the peace establishment of battalions is reduced and only 840 British Other Ranks per battalion are retained on the war establishment. We do not think there is any necessity for maintaining a peace establishment on a much higher scale than the war establishment. In England and elsewhere the policy is to maintain peace cadres about 25 per cent below the war establishments, which are capable of rapid expansion in war and a similar practice obtains in certain sections of the army in India. We recognise that in India reinforcements of British troops cannot be obtained in less than about two months, but from statements which have been supplied to us, it appears that, as at present contemplated, only 5 battalions of British troops would be engaged on active operations during the first two months after mobilisation. During this period, the estimated wastage of these troops on a  $7\frac{1}{2}$  per cent basis would be 630 men and we cannot think that any serious difficulty would arise if in war this number had to be found from the troops required for internal security, although we realise that this will entail a temporary pooling of resources as was found necessary in the Great War. In our opinion the number of troops per battalion required on mobilisation to maintain internal order in India should be capable of a considerable reduction in view of the increased fighting efficiency of the units. We recommend that the peace establishments of British battalions should be fixed at 884 British Other Ranks, the number required for the war establishment *plus* a margin of 5 per cent. to provide for men who may be absent through sickness, etc. This proposal would effect a reduction of 5,760 British Infantry. We are informed that the estimated cost of a British soldier in India is Rs. 2,500 per annum for 1922-23 and a reduction of 5,760 men would therefore save Rs. 1,44,00,000 per annum.

5. *Indian Infantry.*—The peace establishment of Indian Other Ranks in an Indian battalion is 826 except in the case of training battalions with which we deal later. The war establishment of the battalions is 766 and we consider there is little justification for maintaining the peace strength of these units in excess of the war establishment, as any deficiency on account of sickness can be made up by drawing on the training battalions and reserve. We recommend, therefore, that the number of Indian troops per battalion should be reduced to 766 forthwith which would effect a reduction of 4,800 troops in the 80 active battalions now maintained.

Under the existing organisation there is one training battalion for every four active battalions. The establishment of a training

battalion is fixed at 650 based upon the normal intake of recruits for the four active battalions and the estimated wastage during the first two months of a campaign. The reductions which we have proposed in the size of the active battalions will reduce the intake of recruits and effect an automatic reduction of 17 men per training battalion. We have also examined the wastage figures in recent campaigns and consider that the provision made for wastage in calculating the required strength of training battalions is excessive. Further, no allowance appears to have been made for the fact that during the first two months after mobilisation a considerable number of recruits will have completed their training. In these circumstances we are of opinion that no difficulty would be experienced if the strength of the training battalions was reduced by 50 per battalion saving 1,000 men.

A similar position obtains in regard to Pioneer battalions. There are 9 active and 3 training battalions with a total strength of 7,341 and 1,296 men respectively. We consider that the peace establishment of the active battalions should be reduced to 722 the number required for the War establishment, saving 843 men. No reduction in the strength of training battalions appears practicable.

The position in regard to Gurkhas is somewhat different from the ordinary Indian battalions. The peace establishment fixed at 941 includes recruits and provision for wastage and no training battalions are provided. We are informed that the number of Gurkhas which can be obtained is strictly limited to the existing strength and we make no recommendation.

The total immediate reduction in Indian troops which we recommend above is 6,643 men. We are informed that the average cost of a Sepoy in 1922-23 was Rs. 631, so that a reduction of 6,643 men would effect a saving of Rs. 42 lakhs.

At the present time the authorised strength of the reserve is 34,000 Infantry, but the actual strength is only 8,900 owing, we understand, to considerable difficulty having been experienced in obtaining the required numbers. We have suggested to the Commander-in-Chief that an increase in the reserve pay would probably attract more men, and that, in addition, consideration should be given to the inclusion of a term of service with the reserve in every man's attestation on enrolment. This proposal has been considered by the military authorities and it is suggested that the terms of enlistment should be altered to include five years' service with the colours and ten years with the reserve if required, the pay of reservists to be increased to Rs. 7 per mensem for the first five years in the reserve and Rs. 4 for the last five years, the total colour plus reserve service of 15 years to count for pension at Rs. 3 per month.

We think that a scheme of this nature would prove attractive to the men but that the provision of a pension should be accompanied by a liability to be called up for service in the event of a national emergency. If this proposal is adopted we consider that the peace establishment of battalions should be gradually placed on a cadre basis which might ultimately be fixed at, say, 20 per cent. below the war establishment. This would effect a further saving of about 14,000 men or Rs. 88,34,000 less the increased cost of the reserve which would not exceed Rs. 25 lakhs.

The proposal to increase the period of enlistment with the colours would also ultimately reduce the number of recruits required annually. This in turn would reduce the establishment of the training battalions and the strength of the recruiting staff and result in considerable further economy.

6. *Cavalry*.—The number of British Regiments has been reduced from 9 in 1913-14 to 8 required for 1922-23 and the Indian regiments have been reduced from 39 to 21. We see no reason why the British Cavalry regiments should not be reduced *pro rata* to the Indian regiments and consider that 3 British Cavalry Regiments should be dispensed with for 1923-24, saving Rs. 74,00,000.

7. *Artillery*.—The number of British Officers and men in the Artillery has decreased from 15,205 in 1913-14 to 11,446 in 1922-23, but the number of Indian Officers and Other Ranks has increased from 10,132 to 13,902 so that the total establishment of the Artillery has slightly increased from 25,337 to 25,348. We are of the opinion that in view of the modern weapons now available and their increased effectiveness owing to the introduction of aeroplanes, improved signalling arrangements, etc., some economy in Artillery establishment should be possible and we suggest reduction of 10 per cent. in expenditure which would effect a saving of Rs. 43,00,000.

8. *Other fighting services*.—The remaining establishment of the Fighting services comprises the Signal Service and Armoured Cars, in regard to which we make no recommendation, and the Royal Air Force, with which we deal in a separate section of our Report.

9. *Summary*.—The adoption of our proposals will involve a recurring saving of Rs. 303 lakhs a year which will ultimately rise to Rs. 366 lakhs. The budget for 1922-23, however, took into account a saving of Rs. 64 lakhs due to a temporary shortage of British troops compared with the establishment now authorised. Our recommendations will thus yield a net additional saving of Rs. 230 lakhs a year immediately on their introduction and it should be possible to increase this saving in the near future to Rs. 302



lakhs a year. We recognise, however, that it will not be possible to secure the whole of the former saving in 1923-24.

### ARMY HEADQUARTERS, STAFF OF COMMANDS, ETC.

	Rs.
1913-14, Actual Expenditure	... 92,49,948
1921-22, Revised Estimate	... 1,84,57,000
1922-23, Budget Estimate	... 1,83,08,200

10. A considerable portion of the large increase in expenditure under this heading since 1913-14 is due to the introduction of the four Command system in 1921. We are informed that the basic factors which determined the adoption of four Commands were :—

- (a) the limitations placed on the size of the area which can be efficiently controlled by one man ;
- (b) the desirability of making military districts coincident with civil provinces ;
- (c) the importance of providing adequate machinery to deal with the additional military liability imposed by internal security once the field army has left the area ;
- (d) the necessity of placing with Army Commanders the administrative control of, and the responsibility for, the troops under their command.

It was anticipated that under the new organisation considerable relief would be afforded to army headquarters by an extensive decentralization of control, but in this connection the military authorities submitted that it would be futile to hope, even with the utmost decentralisation, that the staff at head-quarters could be reduced to the pre-war level.

11. *Establishment of Officers of higher ranks.*—The sanctioned establishment of Officers of higher ranks not holding regimental appointments (i.e., above the rank of Lieutenant-Colonel) is as follows ;—

	Sanctioned Establishment.
Field Marshal ... ..	1
Generals ... ..	3
Lieutenant-Generals ... ..	6
Major-Generals ... ..	24
Colonels ... ..	110

We are informed that the Military authorities propose to reduce the establishment by two Lieutenant-Generals and seven Major-Generals which will effect a future saving in non-effective charge.

12. *Army Headquarters—*

	Rs.
1913-14, Actual Expenditure ...	28,56,148
1921-22, Revised Estimate ...	68,13,000
1922-23, Budget Estimate ...	61,89,000

The total expenditure for 1922-23 is more than double that of 1913-14 although the number of troops in the fighting services has decreased by 15,517 and provision has been made for decentralising the control of minor matters to the Commands. The establishment of Army Headquarters has increased as follows :—

	1913-14.	1922-23
	No.	No.
Officers ...	83	153
Civilians ...	335	729
Menials ...	197	310

These numbers for 1913-14 represent the authorised establishment and exclude attached officers whose pay was charged against the unit to which they belonged. Including these officers and second officers in 1922-23 the following statement shows the growth of the establishment of officers and clerks in each section of Army Headquarters :—

Branch.		1913-14.		1922-23.	
		Officers.	Clerks.	Officers.	Clerks.
General Staff ...	...	48	59	49	91
Adjutant General ...	...	20	94	36	180
Quartermaster-General ...	...	22	128	59	362
Ordnance ...	...	5	32	5	36
Military Secretary ...	...	2	22	8	56
His Excellency the Commander-in-Chief and Personal Staff ...	...	7	....	7	4
<b>TOTAL</b> ...		<b>104</b>	<b>335</b>	<b>164</b>	<b>729</b>

The establishments for 1922-23 were recently examined by a Committee appointed by the Government of India and presided over by the Hon'ble. Mr. Innes. The Committee recommended that

the authorised establishment of Army Headquarters, excluding attached officers, should be reduced from 153 to 108 saving in officers' pay Rs. 8,13,000. The Commander-in-Chief has agreed that the number of officers should be reduced to 134 saving Rs. 3,09,600, but we consider that further reductions are possible. For example we consider that the post of Chemical Adviser in the General staff Branch should be abolished. Further, we think that the possibility of amalgamating the Directorates of military training and military operations should be explored. The Directorate of organisation and mobilisation and the Directorate of Auxiliary Forces might, we think, possibly be absorbed by the Directorate of staff duties and the Controller of contracts by the Directorate of supplies and transport.

We are informed that the position of Deputy Quartermaster General has been abolished at the War Office in England and we see no reason for its retention in India.

It is obviously not practicable in the limited time at our disposal to make any very definite detailed recommendations but we consider that the provision for officers at Army Headquarters should be reduced to the full extent recommended by the Innes Committee and that at least Rs. 4 lakhs of this saving should be effected in 1923-24 and that a further reduction should be kept in view.

With regard to clerks the Innes Committee recommended a lump cut of Rs. 9 lakhs based upon a *Pro rata* reduction in the number of clerks to that recommended in the case of officers. The Commander-in-Chief has agreed to a reduction of approximately Rs. 1,30,800, but we consider that a saving of at least Rs. 2,00,000 should be effected for 1923-24.

We have discussed the question of the Headquarters staff very fully with the Commander-in-Chief who has shown every desire to reduce it as far as practicable. As a result of our discussion we recommended that the total provision for Army Headquarters for 1923-24 should be limited to Rs. 55,89,000, a reduction of Rs. 6,00,000.

### 13. Staff of Commands, Districts, Brigades, etc.—

	Commands.	Districts Brigades.
	Rs.	Rs.
1913-14, Actual Expenditure ...	4,86,498	55,85,000
1921-22, Revised Estimates ...	30,45,000	87,32,000
1922-23, Budget Estimates ...	30,14,380	93,03,560

Before the war the army in India (exclusive of Burma and Aden) was organised under two Commands subdivided into 9 Divisions which were again subdivided into 32 Brigades and 5

Cavalry Brigades. In addition there were 3 Independent Brigades who dealt directly with Army Headquarters.

Under the post-war organisation India is divided for administrative purposes into 4 Areas or Commands. These are subdivided into 13 districts which are further subdivided into 29 Brigade areas, and in addition there are 5 Cavalry Brigades. The troops in Waziristan are temporarily under the direct control of Army Headquarters.

The underlying principle of the present organisation appears to be that the Army should be in a continual state of preparedness for instant operations in the event of war or unrest. We are informed that the total annual cost of the 4-Command scheme when introduced was Rs. 31,00,000. In our opinion it is a question whether this large expenditure can be justified and we understand that if the scheme is finally adopted considerable additional expenditure will be necessary to provide office accommodation, etc. We consider that the organisation should be the minimum necessary to enable rapid transition to be made from peace to war conditions in the event of emergency. We are informed that if the number of Commands were reduced to three a direct saving of Rs. 3,59,000 would be effected. At the same time we feel that the present system of four Commands has been so recently inaugurated that it might be given a further trial for 12 months after which the whole question should be reviewed but in the meantime no expenditure should be incurred on new offices.

14. With regard to districts we understand that steps will be taken to reduce the number and that a saving of Rs. 4 lakhs will be effected in 1923-24.

15. We understand the increased cost of Districts and Brigades in 1922-23 compared with 1921-22 is due to the transfer of Rs. 6,62,000 for mechanical transport charges from another heading and the provision of Rs. 3,64,000 for syce and forage allowances for officers' chargers. We consider that the number of motor cars in use in Districts and Brigades is excessive and we deal with this question at a later stage.

16. *Summary.*—We command that the provision for Commands, Districts and Brigades in 1923-24 should be reduced by Rs. 4,00,000, in addition to which there will be savings under transport and forage charges.

17. *Embarkation and Railway Transport Staff—*

	Embarkation Staff. Railway Transport Staff.	
	Rs.	Rs.
1913-14, Actual Expenditure ...	Nil	13,300
1921-22, Revised Estimate ...	53,000	4,60,000
1922-23, Budget Estimate ...	1,58,300	4,83,000

Before the war the work connected with the embarkation and disembarkation of troops at Bombay, Karachi and Calcutta was carried on by the ordinary staff of the District Brigade. There was also no separate organisation for dealing with the transportation of troops by rail, the necessary work being performed by the ordinary staff of the Divisions. We recommend that all work in connection with removal of troops should be decentralised to Commands and Districts and that the total provision for Embarkation and Railway Transport Staff be limited to Rs. 3,00,000, a saving of Rs. 3,44,300.

#### TRANSPORT CHARGES.

18. The estimated cost of transport for 1922-23 compared with 1913-14 is as follows :—

	1913-14	1921-22. Revised Ex- penditure.	1922-23. Budget.
	Rs.	Rs.	Rs.
Animal transport.	1,27,84,000	2,15,33,000	1,81,17,000
Hire of transport.	3,22,000		42,65,000
Mechanical transport.	Nil	1,41,38,000	1,86,43,000
Rail, Road, Sea and inland water charges.	61,83,000	3,63,55,000	2,39,75,000
<b>TOTAL</b>	<b>1,92,89,000</b>	<b>7,20,26,000</b>	<b>6,50,00,000</b>

This table shows that the total cost of transport has increased more than three fold compared with 1913-14 although the number of fighting troops has been reduced. We are of opinion that this large increase is due to a considerable extent to the organization being maintained in a state of preparedness for war and it appears that the introduction of improved method of transport has resulted in the maintenance of a dual organization with a combined capacity far in excess of that available in 1913-14. We consider the maintenance of a large transport reserve cannot be justified in present financial circumstances, and that it should be possible to reduce the total cost of animal and mechanical transport to approximately double the pre-war expenditure.

19. *Animal and Mechanical Transport*.—The following statement shows the personnel employed in connection with the animal and mechanical transport in 1913-14 and 1922-23 respectively :—

	1913-14.		1922-23.	
	Animal transport.	Mechanical transport.	Animal transport.	Mechanical transport.
	No.	No.	No.	No.
Officers with King's Coms. ...	62	Nil	64	149
British other ranks ...	196	...	78	950
Indian Officers ...	66	...	193	29
Indian other ranks ...	1,155	...	11,488	2,782
Civilians ...	98	...	130	622
Followers including articles ...	23,000	...	7,649	3,099
<b>TOTAL ...</b>	<b>24,577</b>	<b>Nil</b>	<b>19,602</b>	<b>7,631</b>

This table shows that the total personnel employed on transport duties has increased from 24,577 in 1913-14 to 27,233 in 1922-23 due mainly to the introduction of mechanical transport.

With regard to animal transport considerable savings will accrue from the fall in prices of fodder, etc., which has taken place since last year. We refer to these savings in our observations in regard to stocks.

The increase in the cost of hire of transport from Rs. 3,22,000 in 1913-14 to Rs. 42,65,000 required from 1922-23 is due to the inclusion of Rs. 30,00,000 for hired transport on the Harnai-Fort Landman Road in Baluchistan. We are informed that a light railway could be constructed from Hindubagh to Fort Sandeman, a distance of about 70 miles at a cost of about Rs. 35 lakhs. We think that tender should be obtained for the construction of this line and if the cost involved approximates to the figure named, we recommend that the work should be taken in hand forthwith. The remaining increase in the cost of hired transport, Rs. 9,43,000, is said to be due to higher contract rates and partly to the larger movements of stores for Indian units not previously supplied.

20. We have examined the position in regard to mechanical transport and attach a statement (Appendix C) showing the estimated military requirements and the present stock of vehicles, classified at our request, (a) vehicles fit for war conditions, (b) vehicles fit for

war conditions subject to repairs and (c) obsolete vehicles. It will be seen that the total stock of vehicles excluding motor cycles is now 3,369 of which 1,792 vehicles are obsolete. We recommend that all these obsolete vehicles should be sold or scrapped forthwith except vehicles of standard types which we consider should be completely dismantled and the parts thereof placed in stock as spare parts for repair work.

We consider there is no justification for providing the stock of vehicles which the military authorities estimate is required, and we recommend that, while the present financial conditions obtain, the authorised establishment of motor vehicles including reserves should not exceed 1,600 vehicles, excluding motor cycles. The holding of large excess stocks must necessarily result in increased costs for maintenance, garage accommodation, interest on capital, depreciation and personnel, and in addition there is a tendency to use the vehicles, if available, for non-essential purposes. In this connection we examined the records maintained by one motor transport company and found they were far from satisfactory; the number of vehicles in use was considerably in excess of the requirements, and in many cases the daily loaded mileage run by individual lorries was only 2 to 4 miles with light loads of about 5 maunds.

21. We are informed that the number of motor cars in use has recently been reviewed and reduced to 261 distributed as follows :—

			No. of cars.
Command Headquarters (4)	...	...	12
District Headquarters (14)	...	...	58
Brigade Headquarters (38)	...	...	38
Schools and Institutions—			
Staff College	...	...	2
Cavalry School	...	...	1
O. C., Deolali	...	...	1
		—	4
Reserve cars—			
Northern Command	...	...	8
Eastern Command	...	...	4
Western Command	...	...	6
Southern Command	...	...	5
Burma District	...	...	1
		—	24
Embarkation Staff	...	...	3
Railway Transport Officer	...	...	1
Signals and Sappers and Miners Units	...	...	5
8 Armoured Car Companies and Sections	...	...	25

*M. T. Formations.*

5 Column Headquarters	...	...	5
10 Motor Ambulance Convoys	...	...	20
10 Heavy M. T. Companies	...	...	20
1 Ford Van Company	...	...	2
Khyber Ropeway Company	...	...	2
Mobile Repair Units	...	...	4
M. T. Training School	...	...	1
M. T. at Aden	...	...	5
Central M. T. Stores Depot	...	...	1
Technical Inspectors	...	...	3
Bushire M. T. Section	...	...	1

*Additional for Waziristan*

2 Ford Van Companies	...	...	4
Cars for staff .—			
Waziristan	...	...	16
Zhob	...	...	5
Kohat	...	...	2

TOTAL	261
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In England the normal peace establishment of motor cars was fixed at 90 for 1922-23 and we understand that the number has since been reduced. We consider the establishment of motor cars in India should be limited to not more than 150 and that the mileage run should be restricted to an average of 9,000 miles per car per annum.

22. We are informed that the Military authorities estimate the running cost of a Ford car at Rs. 4,250 per annum for a mileage of 9,600, including petrol, lubricants, tyres and repairs, but exclusive of the cost of personnel, interest on capital or depreciation. This we consider excessive. The average number of miles run per gallon of petrol is only 14, which appears to us unduly low and we recommend that the possibility of increasing the mileage run per gallon of petrol for all vehicles should be explored. With regard to lorries we understand that the Commander-in-Chief has accepted the



recommendation made by the Braithwaite Committee that the mileage run per transport lorry and ambulance maintained in use should be limited to 1,000 miles per annum. We understand that the principle of limiting the mileage to be run annually by each vehicle is considered preferable to reducing the number of vehicles to the minimum necessary to meet peace requirements. This arrangement is admittedly not economical but it is represented to us that it is not practicable to largely reduce the present nucleus staff and that it is better to keep the vehicles in use than to retain them in storage where they would rapidly deteriorate. In these circumstances we recommend that they would rapidly deteriorate. In these circumstances we recommend that the 1,000 mile limitation should be applied to all lorries and miscellaneous vehicles and recommend that a system of rationing petrol and other supplies should be introduced to ensure that the mileage limitation is enforced.

We recommend that the number of ambulances in use should be limited to 200, that the total establishment of motor cycles should be fixed at not more than 350 and that all obsolete cycles should be sold or scrapped forthwith.

23. As regards personnel, we support fully the recommendations of the Braithwaite Committee with the exception of that relating to the increase of establishment of the Mechanical Transport Training School. The adoption of these recommendations will save about Rs. 20 lakhs a year, to which must be added a saving of Rs. 1 lakh from the proposed reduction in the number of motor cars in use. The extension of the proposed mileage limitation to all motor vehicles will effect a further saving of Rs. 48 lakhs a year by reducing the consumption of petrol and lubricants, tyres and spare parts, and the expenditure on repairs. On the other hand about Rs. 14 lakhs a year will be required for the purchase of vehicles to replace those which have run their normal life and have become unserviceable. This provision, in 1923-24, will be used mainly for the purchase of armoured cars.

As a result of our consideration we are of opinion that the total annual expenditure on Animal and Mechanical Transport should be reduced by at least Rs. 55 lakhs. There will be a further saving of Rs. 15 lakhs in 1923-24 to which we refer under the Stock Account.

24. *Sea Transport Charges, Rs. 1,19,35,000.*—A sum of *£*925,700 budgeted for in 1922-23 has proved an over-estimate and we are informed that the provision contemplated for 1923-24 is *£* 693,000, inclusive of *£* 75,000 for the Royal Air Force.

which has now been transferred to that section of the accounts. There will thus be a saving of £ 307,000, or Rs. 46,05,000, apart from the saving due to reduction in establishment. Against this payment India receives a contribution from the War Office of £130,000 towards the total cost of the trooping service.

25. *Railway, road and inland water charges.*—Of the total provision of Rs. 1,20,40,000 under this heading, Rs. 1,15,50,000 represents railway charges for movement of troops, the balance representing road and inland water charges. Before the current financial year all the railway charges of the army were recorded under one head of account and no attempt was made to allocate them to different service of the army. In connection with the system of cost accounting now introduced, arrangements have been made to allocate the railway charges of the army to the various services and a partial distribution of the charges was made in the budget estimates for 1922-23, the total provision under all heads amounting to Rs. 1,99,75,000. As a result of various causes this estimate has been exceeded, and it is anticipated that the aggregate expenditure in 1922-23 will amount to about Rs. 250 lakhs. We are informed that every endeavour is made to avoid unnecessary movements of troops and that the total railway charges for 1923-24 are expected to fall to Rs. 230 lakhs, in spite of an increase in charges by the railways representing Rs. 20 lakhs of the last mentioned amount. We recommended, however, that a larger reduction should be effected and that the provision of Rs. 1,99,75,000 for railway charges under all heads should be reduced in 1923-24 to Rs. 1,85,00,000, a saving of Rs. 14,75,000. A further considerable reduction should be possible in subsequent years.

#### EDUCATIONAL AND INSTRUCTIONAL ESTABLISHMENTS

	Rs.
1913-14, Actual Expenditure	.. 52,96,840
1921-22, Budget Estimate	... 1,06,74,000
1922-23, Budget Estimate	... 1,09,97,170

26. The main item included under the heading is a provision of Rs. 62,61,000 for practice ammunition for 1922-23, the corresponding figure for 1913-14 being Rs. 38,83,000.

The expenditure is sub-divided under main heads as set out below :—

— — —		1913-14	1922-23
		Rs.	Rs.
Supervising and Inspecting Staff	...	21,230	1,01,390
Staff College, Quetta	... ..	5,15,069	7,84,190
Small Arms Schools	... ..	1,34,945	6,58,670
Physical Training Schools	... ..	29,217	1,89,750
Cavalry School	... ..	1,79,602	5,36,450
Senior Officers' School	... ..	.....	2,87,170
Machine Gun School	... ..	.....	1,38,180
Artillery Schools	... ..	.....	2,38,000
Armoured Car Centre	... ..	.....	2,76,030
Mechanical Transport Training School...	... ..	.....	4,28,000
Army Veterinary School	... ..	7,741	42,000
Supply and Transport Training School	... ..	.....	84,000
School of Cookery	... ..	10,231	36,000
Education of Military pupils at Medical Colleges and Schools	... ..	90,879	3,00,000
Miscellaneous including provision for practice ammunition	... ..	43,12,926	68,97,340
<b>TOTAL</b>	...	<b>52,96,840</b>	<b>1,09,97,170</b>

This table shows that the cost of training establishments has increased enormously since 1913-14. Excluding miscellaneous expenditure which is mainly for practice ammunition, we find that the cost of Educational and Instructional establishments has increased more than four-fold from Rs. 9,83,914 in 1913-14 to Rs. 40,97,830 required for 1922-23. We are informed that before the war the training of the Army in India was inferior to that of the Army at Home, and now that the army has been reduced it is of first importance that its training should reach as high a standard as that of the Home Army. We believe this object could be obtained without such a large increase as Rs. 31 lakhs, which the country cannot afford. We deal with the various establishments seriatim.

*Small Arms Schools, Rs. 6,58,670.*—These schools are maintained for the training of officers and non-commissioned officers as instructors in the use of rifles, light guns, light mortars and grenades. The standard number of instructors to be maintained in units has been

fixed and it has been laid down that instructors must be in possession of certificates under two years' old. We are of opinion that in present financial circumstances the rules in regard to holding certificates should be relaxed and the period between courses of training extended to three years. We recommend that the provision for small arms schools should be limited to Rs. 5,58,670, a reduction of Rs. 1,00,000.

*Physical Training Schools Rs. 1,89,705*—The cost of these schools has increased from Rs. 29,217 in 1913-14 to Rs. 1,89,750. We understand that a reduction of Rs. 65,000 is proposed for 1923-24.

*Cavalry School, Rs. 5,36,450.*—Although the strength of cavalry has been largely reduced since 1913-14, the expenditure on the cavalry school has increased from Rs. 1,74,602 in 1913-14 to 5,36,450. The present scheme provides for training annually the full number of instructors required by the units which we consider is not justified in present financial circumstances.

The Commander-in-Chief informs us that the training of the Cavalry is now more intensive than it was before the war and that it is essential, now that the Cavalry is being reduced, to maintain the highest possible standard and he would strongly deprecate any great reduction of instructors. In these circumstances we recommend that the provision for 1923-24 should be limited to Rs. 3,30,000 a reduction of Rs. 2,06,450.

*Senior Officers' School, 2,87,170.*—This school is for training field officers of all arms before substantive promotion to the rank of Lieutenant-Colonel. A reduction of Rs. 13,000 is proposed for 1923-24, and we make no recommendation.

*Machine Gun School, Rs. 1,38,000.*—We are informed that this school is essential for training officers and non commissioned officers in the use of machine guns and we make no recommendation.

*Artillery Schools.*—The provision for 1922-23 included Rs. 1,50,000 for equipment which will not be required in 1923-24 and we suggest no further reduction.

*Armoured Car Centre, Rs. 2,76,030.*—The introduction of Armoured Car Companies necessitated provision being made for the tactical and mechanical training of personnel for this new service and we recommend no reduction for 1923-24.

*Mechanical Transport Training School, Rs. 4,28,000*—We understand that the Mechanical Transport Training School in England has been abolished. This is not considered practicable in India, where motor transport is less highly developed, but in view of the reductions we are proposing in mechanical transport we recommend that the provision for 1923-24 be limited to Rs. 3,26,100 saving Rs. 1,00,000.

**Education of Military pupils at Medical Colleges and Schools.**—We recommend that the provision under this heading should be limited to Rs. 2,00,000, for 1923-24, a reduction of Rs. 1,00,000.

**Miscellaneous, Rs. 6,897,340.**—The scale on which practice ammunition is provided is considerably lower than in England and we are informed that no further reduction is practicable. The savings resulting from the reductions we have proposed in the strength of the fighting services have already been taken into account, and we make no recommendation.

We understand that in the budget of 1922-23 no provision was made for practice ammunition for troops serving in Waziristan as they were employed on military operations and it was not necessary for them to fire their practice ammunition; and that the withdrawal of troops from Waziristan will necessitate an increase of Rs. 23 lakhs in the grant for practice ammunition in 1923-24. This increase is a corollary of the large reduction in Waziristan expenditure mentioned in a separate section of this Report and cannot, we are afraid, be avoided. The saving in practice ammunition resulting from the reductions in the strengths of fighting troops, recommended by us, has been taken into account in assessing the financial effect of such reductions.

**General.**—As a result of our consideration, we are of the opinion that the provision for Educational and Instructional establishments should be reduced by Rs. 7,42,450 including a saving of Rs. 8,000 under the Staff College, Quetta, but the grant for practice ammunition will apparently have to be increased by Rs. 23,00,000.

#### ARMY EDUCATION

			Rs.
1913-14, Actual Expenditure	...	...	11,70,583
1921-22, Budget Estimate	...	...	42,37,000
1921-23, Budget Estimate	...	...	37,25,000

27. We are informed that the large increase in expenditure since 1913-14 is due to (a) the policy of His Majesty's Government that education shall henceforward form an integral part of the military training of the British soldier and (b) the decision of the Government of India that the system adopted for the British Army should be applied, *mutatis mutandis*, to the Indian Army.

The British soldier is in most cases literate on enlistment and, while additional education has much to commend it, we consider it essential to limit the extent to which educational facilities should be provided at the expense of Government. We are of the opinion that the extent of these educational facilities should be reviewed and limited to the most useful objects. We recommend that a

definite amount should be allocated for expenditure on education which should be fixed for a period of say 5 years to ensure continuity of policy.

The total staff of the education service has increased from 309 in 1913-14 to 1,546 required for 1922-23, and an analysis of the staff employed and the expenditure incurred in each of these years is as follows :—

	1913 14		1922-23	
	No.	Total cost.	No.	Total cost.
Supervising and inspecting staff	7	Rs. 1,04,000	68	Rs. 3,41,300
British Army School of education	...	Nil	88	1,84,300
Indian Army School of Education	...	Nil	65	1,26,000
Garrison Regimental and detachment schools for British troops	243	3,22,000	524	16,12,000
Garrison Regimental and detachment schools for Indian troops	6	Nil	579	4,44,000
Lawrence Military Schools	50	1,69,000	184	8,99,900
Prince of Wales' Royal Military College, Dehra Dun	...	Nil	47	1,11,800
King George's Military Schools	...	Nil	...	20,000
Language rewards	...	2,95,000	...	3,00,000
Miscellaneous	3	1,98,000	1	2,58,800
Total	309	12,11,000	1,546	37,92,000
Less receipts	...	40,000	...	67,000
TOTAL	...	11,71,000	...	37,25,000

The large increase in the inspecting and supervising staff is due to the provision of both British and Indian Inspectors at Army Headquarters, at the headquarters of each of the four Commands and at the headquarters of each of the 15 districts, including Burma and Aden. We consider there is no justification for the employment of such a large staff of Inspectors costing Rs. 3,41,300.

We are informed that the staff of the garrison, regimental, and detachment schools for British troops has within the past 12 months been reduced by 86 officers saving Rs. 4,00,000 and that the King George's Military Schools, for which Rs. 20,000 was provided in the current year's Budget are not yet in existence. Further economies should be possible under the headings of incidental and miscellaneous.

ous expenses of British and Indian Garrison Schools, etc, for which Rs. 280,470 was provided in 1922-23.

As a result of our consideration we are of opinion that in existing financial circumstances the provision for army education should be reduced to Rs. 33,00,000 for 1923-24 and be fixed at this figure for the next five years, exclusive, however, of any additional expenditure on the Dabra Dun and King George's Military school for the purpose of giving a good public school education to Indian boys to enable them to pass into Sandhurst. A proportionate reduction should be made in this figure, if our proposals regarding reductions in the strength of fighting troops are accepted.

#### MEDICAL SERVICES AND HOSPITALS.

	Rs.
1913-14, Actual Expenditure	79,99,000
1921-22, Revised Estimate	2,27,66,000
1922-23, Budget Estimate	3,22,95,000

28. Excluding Aden the staff in 1922-23 compares with that employed in 1913-14 as follows:—

	1913-14	1922-23
Officers, R. A. M. C. .. ..	333	332
Officers, I. M. S. .. ..	261	495
Nursing Sisters .. ..	91	267
R. A. M. C. other ranks .. ..	..	450
Assistant Surgeons .. ..	411	416
Sub-Assistant Surgeons .. ..	664	739
Army Hospital Corps .. ..	2,934	
Army Bearer Corps .. ..	3,578	
Regimental Hospital Establishments (not included in medical Budget)	2,316	
Indian Hospital Corps .. ..	..	12,065
Officers Army Dental Corps .. ..	7	18
	<hr/> 10,635	<hr/> 14,782

The average daily number of patients of the British and Indian Army respectively in hospitals in 1922 compared with the number of beds was as follows:—

	Beds.	Patients.
British Army .. ..	8,270	1,927
Indian Army .. ..	12,703	4,506

From this it appears that the British hospitals are not used to a quarter of their capacity and the Indian hospitals are used to little more than a third of their capacity

It has been pointed out to us that a margin of 55 per cent. must be allowed to provide for seasonal sickness, epidemics, etc. Even so we consider that an all round reduction of 25 per cent. in the number of beds maintained could safely be made. For example, in the United Provinces district no less than 1,118 beds are maintained in British hospitals for a daily average of 355 men in hospital, and in the Central Provinces district 772 beds are maintained in Indian Station hospitals for an average daily number of 155 sick in hospital. We recommend that an enquiry be made with a view to closing down hospitals where their retention is not justified and to substantially reducing the number of beds in the hospitals retained. This should make it possible to effect a considerable reduction in the staff employed irrespective of the savings which will result if our recommendations for the reduction of the establishments of the fighting units be adopted. In particular we have been impressed by the increase in the number of Indian Medical Officers employed on military duty in spite of the concentration of Medical arrangements which might have been expected to result from the introduction of the Station hospital system for Indian troops. The cost of the present establishment is Rs. 145 lakhs, and we recommend that a reduction of at least Rs. 5 lakhs should be effected, in addition to the savings which should automatically result from reductions in Army personnel.

Other large items included in the 1922-23 budget are :—

	Rs.
Provisions and diet for patients . . .	87,00,000
Clothing for patients . . .	25,00,000
Drugs and dressing instruments . . .	15,00,000
Provisions for staff . . .	15,94,000
Clothing for staff . . .	6,99,000

We are informed that the number of patients and cost of diet were over-estimated, with the result that for 1922-23, a saving of Rs. 46 lakhs is anticipated under provisions and diet, of which Rs. 15 lakhs merely represents a transfer to the food charges of the fighting services. There will also be a saving of Rs. 16 lakhs for clothing for patients. We allow elsewhere for the saving in expenditure which may be anticipated from the fall in prices.

We are informed that there is a fixed scale of medical and other equipment for military hospitals, and that the officers in charge submit indents for drugs once a year through their local administrative medical officers who scrutinize the indents and after such adjustments as are necessary pass them on to the Medical Stores Department for compliance. In view of the lower percentage of



sickness we consider that a saving of at least Rs. 1 lakh should be effected in the cost of drugs. The reductions in the number of beds which we have recommended should make it possible to effect further savings in respect of the supply and maintenance of equipment.

We recommend that a reduction of Rs. 53 lakhs should be made in the total estimates under this head in 1923-24, apart from the transfer of Rs. 15 lakhs to the fighting services, and the savings which we have taken into account elsewhere as the result of the reduction in the number of troops, fall in prices, reduction of stocks or other causes.

#### WORKING EXPENSES OF DEPOTS, ETC.

##### Net expenditure.

Rs.

1913-14, Actual Expenditure ...	41,33,645
1921-22, Budget Estimate ...	1,85,66,000
1922-23, Budget Estimate ...	1,21,13,560

29. The above figures represent the net expenditure after allowance has been made for expenditure transferred to other heads of account or recovered by means of credits and so-called receipts which we understand represent mainly savings by the purchase of surplus stores at rates less than the vocabulary rates. An analysis of the gross expenditure is given in Appendix D from which it will be seen that the total working expenses have increased from Rs. 1,03,99,075, in 1913-14 to Rs. 2,84,02,560 or by 173 per cent.

We deal seriatim with the various heads under which the account is set out.

#### 30. *Arsenals and Ordnance Depots—*

##### Gross expenditure.

Rs.

1913-14, Actual Expenditure ..	26,08,924
1922-23, Budget Estimate ..	72,17,820

There has been no change in the pre-war numbers of arsenals and ordnance depots, but we understand that there has been a large increase in work owing to the transfer of barrack, hospital, and miscellaneous equipment from the Supply and Transport Corps, the abolition of the silladar system for Indian Cavalry and the introduction of new equipment.

We are informed that the estimate for the current year will be largely exceeded and that no reduction can be anticipated in 1923-24 on the current year's budget figure. On the contrary it is stated that an additional Rs. 2 lakhs will be required for reconditioning

stores and provision will have to be made for increased transportation charges owing to increased rates.

In the section of this Report relating to the Stock Account we are recommending that no surplus stores should be retained and that the total value of stores held, including reserves, should be reduced to not more than Rs. 8 crores, new purchases being curtailed. If this is done it should be possible ultimately to effect large reductions in the cost of arsenals and ordnance depots. The disposal of these stores will undoubtedly throw more work on the Depots in 1923-24 but on the other hand the curtailment of new purchases and the proposed reduction in troops will considerably reduce the quantity of stores to be handled. In view of all the circumstances we consider that the provision for 1923-24 should be limited to the same amount as that provided for the current year and that the possibility of effecting economy by temporarily utilising military labour drawn from existing units for clearing up arrears of work should be explored.

We are informed that receipts under Arsenals and Ordnance Depots in 1922-23 include a special credit of Rs. 10 lakhs on account of the difference between prices paid to the Disposals Commissioner for certain stores purchased from him and the vocabulary prices of these stores, and that a similar saving will probably be realised in 1923-24 as the result of the general fall in prices.

31. *Clothing and Boot Depots, Rs. 4,74,084*—During the war Government undertook the liability for supplying clothing and boots to Indian troops and followers. There are now four depots but two of them are said to be only temporary and we consider that steps should be taken to close them at an early date. We have ascertained that units at present maintain their own mobilization reserves of winter clothing and also working stocks up to a limit of of three months' requirements. We are of opinion that it is not economical for units to maintain mobilization reserves of winter clothing and we recommend their withdrawal to central depots if suitable accommodation is available. This we understand is being done. We consider that some saving in the cost of depots for 1923-24 should result from the reduction in stocks maintained. During the current year the stocks to be maintained have been reduced by over Rs. 59 lakhs and further reductions are anticipated for 1923-24. Some economy should also be possible by reducing the proportion of British to Indian personnel and we recommend the provision for 1923-24 estimated at Rs. 4,50,000. We are informed the receipts for 1922-23 estimated at Rs. 4,00,000 mainly represent savings by purchases of stores below the vocabulary rates

and that there will probably be a reduced saving under this heading 'for 1923-24 which will more than set off any decrease in expenditure.

32. *Supply Depots*—The District Supply Companies are closely inter-related with the supply Depots and it will be convenient to consider the two organisations together :—

	Supply Depots Gross Expenditure.	District Supply Companies.
	Rs.	Ra.
1913-14, Actual Expenditure	3,13,057	Nil.
1921-22, Budget Estimate	44,62,000	40,66,000
1922-23, Budget Estimate	98,12,000	32,77,000

Before the war there were no District Supply Companies. The arrangements for the purchase and supply of rations, fodder and other miscellaneous supplies for which the Supply and Transport Corps were responsible were controlled largely by the divisional Commanders. There were small depots in charge of an officer of the Supply and Transport Corps at the principal cantonments at which British units were located while at the out-stations there were small depots in charge of a subordinate.

The whole system was reorganised in 1917-18 and has since been developed by the military authorities. At the present time the arrangements for the purchase and supply of non-perishable stocks are centralised at Army Headquarters. Supplies are purchased in bulk for the whole of India by a Controller of Contracts under the orders of the Quartermaster General. The Director of Supplies and Transport, also under the control of the Quartermaster General, is responsible for the general control and supervision of the supply services. The arrangements for the distribution to depots and sub depots and subsequent redistribution to the troops or to other depots are carried out by a Deputy Director of Stocks under the control of the Director of Supplies and Transport. The organisation for distribution consists of (a) 13 supply depot companies whose functions are to maintain the stocks at depots and sub-depots from which the issues to units are made and (b) 13 District Supply Companies each consisting of a headquarter section and a number of Brigade sections for distributing supplies from the Depots to the troops.

The total staff employed in the District and Depot Supply Companies compared with the pre-war establishment is as follows—

	1913-14. Supplies.	District Supply Companies.	1922-23. Supply Depot Companies. *	Total
Officers with King's Coman.	79	86	108	194
British other ranks ...	284	225	183	408
Indian Officers ...	...	73	...	73
Civilians ...	567	243	589	832
Followers ...	2,931	1,280	2,316	3,596
TOTAL ...	3,858	1,907	3,196	5,103

The present system was recently examined by the Braithwaite Committee who recommended a reversion to the pre-war system of station supply in the area Cis-Indus but including Karachi and a continuance of the present system in the Trans-Indus area. This proposal we understand would effect a reduction of 46 British Officers, 49 British Other Ranks and 925 Subordinate personnel saving in pay alone Rs. 13,00,000.

We understand that the Commander-in-Chief is prepared to accept the proposals made by the Braithwaite Committee, but we are of opinion that the possibility of effecting economy in the Trans-Indus area has not been fully explored.

Approximately one-third of the Army in India is located west of the Indus and the following statement shows that the staff of the Trans-Indus Supply Companies is relatively much greater than the staff in the Cis-Indus area :—

	Cis-Indus.	Trans-Indus.	Total.
Officers with King's			
Commissions...	85	142	227
British Other Ranks ...	220	359	579
Indian Officers ...	73	73	146
Civilians ...	285	670	955
Followers ...	1,648	2,804	4,452
TOTAL	2,311	4,048	6,359

\* Includes Deputy Directors of Stocks and his establishment.

This table indicates that a large reduction in personnel should be possible in the Trans-Indus area, and further it will be observed that of the total proposed establishment of 4,018, the number of officers employed is 142, whereas in 1913-14 there were only 76 officers in the total establishment of 3,858. The proportion of British Other Ranks has similarly increased, the number employed having risen from 284 in 1913-14 to 359 required for 1923-24.

33. The large increase in the expenditure under supply depots for 1922-23 compared with 1921-22 is due to (a) the inclusion of Rs. 23,00,000 to meet the additional expenditure incurred in the turn-over of mobilization reserves of foodstuffs which have to be issued in substitution for the less expensive standard rations and (b) insufficient allowance having been made for transportation charges in 1921-22.

The necessity for providing for the full cost of turn over was overlooked in 1921-22 and we are of opinion that if it costs Rs. 23,00,000 annually, in addition to handling and overhead charges, to maintain a reserve stock Rs. 41,00,000 the necessity for holding such reserve should be carefully examined and the quantities reduced to a minimum.

We are informed that the present reserves were fixed to cover the requirements of the Covering Force for 60 days after mobilization and of the whole Field Army for a period of 30 days. It is admitted, however, that only a portion of these troops could be placed in the field during the first three months and we recommend that the mobilization reserves should be substantially reduced so as to effect a saving of Rs. 15,00,000 in the turn-over and a further saving in the cost of handling, etc.

In view of all the circumstances we are of opinion that a saving of Rs. 41 lakhs should be effected in the cost of the supply services for 1913-14, and that the whole position should again be reconsidered in 12 months' time with a view to a further reduction being effected.

*Directorate of stocks, Rs. 1,67,000.*—The saving taken into account in the preceding paragraph includes the abolition of this Directorate.

#### 34. *Medical Stores Depots—*

		Rs.
1913-14 Actual Expenditure	..	3,28,000
1921-22, Budget Estimate	..	4,51,000
1922-23, Budget Estimate	..	5,94,000

The five Medical Stores Depots situated at Bombay, Madras, Lahore, Calcutta and Rangoon are responsible for the supply of all medical stores and equipment to the Army. Their cost is borne on the Army estimates but they are administered by the Director-General, Indian Medical Service, as they also supply medical stores on payment to Civil Departments and to Local Governments. The rates charged by them to civil institutions are fixed at a figure intended to leave a small margin of profit and we are informed that part of their operations does not throw any extra expenditure on the army.

The large reduction in stocks which we propose elsewhere (paragraph 64) should result in a substantial reduction in establishments, and we recommend that the total cost of the depots should be limited to Rs. 5 lakhs, saving Rs. 94,000.

### 35. *Veterinary Hospitals—*

		Rs.
1913-14 Actual Expenditure	..	4,26,000
1921-22, Budget Estimate	..	22,76,000
1922-23, Budget Estimate	..	26,99,000

There has been a large increase in establishment since 1913-14 due in part to the increase in the number of animals in charge of the Army Veterinary service. The organisation of the department was examined in detail by the Braithwaite Committee and we endorse their recommendations which will result in an annual saving of Rs. 3,92,000. Some further saving should result owing to the reduction of three British Cavalry Regiments.

In addition to the pay of establishments, the budget for 1922-23 includes provision for the following items ;—

			Rs.
Forage	..	..	11,41,000
Drugs, medicines, etc.	..	..	50,000
Provisions	..	..	2,40,000
Clothing	..	..	29,500

In paragraphs 59 *et Seq.* we refer to the savings which should accrue under these heads : excluding these savings, we recommend that a reduction of Rs. 3,92,000 be effected in 1923-24.

### 36. *Remount depots and breeding operations—*

		Rs.
1913-14, Actual Expenditure	..	27,23,000
1921-22, Budget Estimate	..	53,58,000
1922-23, Budget Estimate		66,12,000

In the estimates for 1923-24 the net expenditure is shown at Rs. 17,78,000 only, credit being taken for Rs. 48,34,000 representing expenditure on the depots on maintaining animals issued. This amount is debited to the stock account where a further provision of Rs. 45,29,000 is included for the purchase of animals, the total cost of supplying animals to the Army thus amounting to Rs. 1,10,41,000. The Braithwaite Committee have in their Report made suggestions calculated to result in an annual saving of Rs. 16 lakhs in the first year and Rs. 13,21,000 in subsequent years, and we recommend that their proposals be adopted. A reduction in the reserve and in the number of annual replacements will result from the reduction of three British Cavalry Regiments recommended by us. We suggest that the possibility should be considered of further reducing the war reserve by the adoption of a system of registration in India of horses suitable for military purposes. We understand that additional economies will result from a modification of the percentage basis for the replacement of both camels and bullocks. Taking all these factors into consideration, we recommend that a reduction of Rs. 20 lakhs be made in the gross figure of Rs. 110 lakhs mentioned above.

In making this recommendation we have not taken into account expenditure on the following items :—

			Rs.
Forge	..	..	26,14,000
Issues in kind	..	..	4,81,000
Fuel and light	..	..	3,09,000

We deal elsewhere with these heads for the Army budget as a whole (see paragraphs 61 and 62).

37. *Central Mechanical Transport Store, Rs. 4,73,000.*—That depot deals with the provision, stocking, and issue of spare parts used for the repair of vehicles. In view of the large reductions which we have recommended in the use of mechanical transport we consider that the expenditure under this heading should be reduced to about Rs. 2,000 for 1923-24 and this saving is included in the reduction of Rs. 55 lakhs which we have previously recommended (see paragraph 23).

38. *Mechanical Transport Reserve Vehicles Park, Rs. 2,70,000, and Shipping Section, Rs. 14,000.*—We understand that the Commander-in-Chief has accepted the recommendations of the Braithwaite Committee that the Reserve Park and Shipping Section should be abolished and we have taken this into consideration in our recommendations under Mechanical Transport.

## WORKING EXPENSES OF MANUFACTURING ESTABLISHMENTS.

Rs.

1913-14, Actual Expenditure	..	2,44,631
1921-22, Budget Estimate	..	29,68,000
1922-23, Budget Estimate	..	25,83,250

39. The above figures represent net expenditure, the gross expenditure on these establishments having increased from Rs. 1.61,53,707 in 1913-14 to Rs. 4,14,75,250 in 1922-23, the details of which are shown in Appendix E. We recommend that accounts on a commercial basis be instituted for each of these establishments with a debit for interest on capital and for depreciation. We deal below with the more important establishments.

40. *Grass farms—*

Rs.

1913-14, Actual Expenditure	..	44,77,000
1921-22, Budget Estimate	..	78,90,000
1922-23, Budget Estimate	..	1,06,30,000

These organisations both produce and purchase forage, and from figures supplied to us appear to be producing fodder more cheaply than it can be purchased. Provided that this condition continues, we do not recommend any change in present arrangements. The bulk of the expenditure under this heading is transferred to the stock account and the saving which will accrue in 1923-24 is referred to in paragraph 61.

41. *Dairy farms—*

Rs.

1913-14, Actual Expenditure	..	24,15,000
1921-22, Budget Estimate	..	68,39,000
1922-23, Budget Estimate	..	67,25,000

The operations of these farms expanded very considerably during the war and they are at present overburdened with buildings and plant in excess of the demands for their products. We are informed that their operations in 1921-22 showed a loss of some Rs. 6 lakhs, but that in the present year it is anticipated that they will make both ends meet without paying interest on their capital (Rs. 58,54,000), and that in 1923-24 revenue and expenditure will balance. Prices for the products of the farms have been recently raised but we recommend that the system of preferential rates at present in force should be reviewed.

We are informed that as a result of cattle-breeding undertaken at the Pusa Agricultural Institute a valuable herd of some 380 animals has been built up. It has been represented to us that it is



desirable to take such steps as are possible to improve the breed of cattle in the country and to provide educational facilities in dairy farming, and that it would be advantageous in these respects as well as economical if the operations of the military and civil authorities were co-ordinated. We suggest therefore that the experiment should be made of placing one or more of the military dairy farms under the control of the civil authorities.

#### 42. *Army Clothing Factories—*

##### Gross Expenditure.

Rs.

1913-14, Actual Expenditure	.. 28,72,246
1921-22, Budget Estimate	.. 98,50,000
1922-23, Budget Estimate	.. 84,43,250

Two depots, viz, at Madras and Shabjahanpore are maintained for the manufacture of garments and requirements in excess of the output of these factories are obtained from contractors. We are informed that the labour at the factories is carried out at contract rates and that the prices of the garments manufactured compares favourably with those at which purchases are made.

We observe that in 1913-14 the proportion of British to Indian employees at Army Clothing Factories and Depots was 23 to 276 whereas at the present time the proportion is 73 to 442, we consider that the proportion of British personnel should be reduced to twelve per cent. of the total staff.

Of the total expenditure for 1922-23 Rs. 71,74,000 was for materials imported from England and purchased locally and considerable savings should be possible in 1923-24 owing to the fall in prices. These savings will, however, be largely set off by the loss of the so-called receipts under Army Clothing Factories in 1922-23, these including a special credit of Rs. 10,50,000 on account of the difference between the prices paid to the Disposals Commissioners for certain stores purchased from him and the vocabulary prices of these stores. The value of all finished garments manufactured at the factories is charged to the stock account, in dealing with which we take credit for anticipated savings in expenditure on Clothing (see paragraph 65).

#### 43. *Army Ordnance Factories—*

##### Gross Expenditure.

Rs.

1913-14, Actual Expenditure	.. 62,88,535
1921-22, Budget Estimate	.. 1,70,78,000
1922-23, Budget Estimate	.. 1,13,25,000

There has been no increase in the number of Ordnance factories since 1913-14 except that the Lashore branch of the Gun and Shell Factory has been formed into an independent factory called the Metal and Steel Factory.

We are much impressed with the large expenditure which is being incurred at these factories in spite of the fact that there are over Rs 14 crores worth of Ordnance Stores in stock. We appreciate that it is necessary to retain a nucleus staff at each factory to enable the output to be rapidly expanded in the event of war, but in view of the large expenditure now being incurred we are not satisfied that the staff has yet been reduced to this minimum.

We consider that the orders given to all Ordnance factories should be limited to the essential requirements of the Army and that, if these orders are insufficient to employ fully the nucleus staff which must be retained, endeavour should be made to obtain orders from other Government Departments for such articles as can be manufactured at economic prices. We consider, however, that in the interests of private enterprise the factories should be discouraged from obtaining orders from outside sources.

We are informed that the estimated saving from the closing of the Dum Dum Ammunition Factory which is being sold is Rs. 12 lakhs, but as the whole cost of working the factories is included in the cost of the articles produced, which is debited to the stock account, all savings effected owing to fall in prices or reduction of output will be more appropriately dealt with under that heading (see paragraph 66.)

44. *Base Mechanical Transport Workshops—*

	Gross expenditure.
	Rs.
1913-14, Actual Expenditure	.. Nil
1921-22 Budget Estimate ..	.. 29,68,000
1922-23, Budget Estimate ..	.. 32,53,000

This expenditure covers the cost of the workshops at Chaklala, Peshawar, Bannu and Bombay. We understand the shops at Chaklala have been built on a lavish scale with the idea that the whole of the major repairs would be carried out at this factory. The equipment and machinery are, however, said to be unsuitable in many instances for the work required and, in view of the large reductions which we recommend in the use of Mechanical Transport, we consider that the possibility of using these workshops for some other purpose should be explored and that only a small repairing

shops should be maintained at Chaklala for the repair of vehicles in the neighbouring district.

We think that endeavour should be made to come to a favourable arrangement with the commercial concerns supplying the standard types of vehicles adopted by the Army to undertake complete overhauls in India of their own vehicles which we think would form a valuable reserve capacity for repairs in war.

We consider that 300 of the British civilian artificers now employed at Chaklala, costing Rs. 13 lakhs annually, whose services we understand it is proposed to dispense with, should not be replaced and we recommend that the provision for workshops in 1923-24 should be limited to 15,00,000, a reduction of Rs. 17,53,000 which we have taken into account in the estimated saving of Rs. 55,00,000 already recommended (see paragraph 23).

#### MILITARY ACCOUNTS.

	Rs.
1913-14, Actual Expenditure ..	30,10,000
1921-22, Revised Estimate..	79,58,000
1922-23, Budget Estimate ..	85,89,000*

45. The work of the Military Accounts offices was greatly dislocated by war, and they are still dealing with the arrears of work which accumulated during and after the war. They have been further embarrassed by the recent introduction of the cost accounting scheme for the Army, and various defects in their administration have been brought to our notice. It is essential for the proper control of expenditure that these establishments should be maintained in a state of efficiency and, apart from the question of pay of the establishment which we deal with in another section of our report, we are unable to recommend any immediate reduction, as, if our recommendations are adopted, heavy work will be thrown upon the Accounts offices during the transition period. We consider, however, that all possible steps be taken to increase their efficiency and that as soon as the position with regard to military expenditure has been stabilised the establishments and organisation of these offices be reviewed and substantial economy effected.

#### ECCLIASTICAL ESTABLISHMENTS.

	Rs.
1913-14, Actual Expenditure ..	4,61,000
1921-22, Revised Estimate..	6,22,000
1922-23, Budget Estimate ..	7,70,000*

\*Excluding Rs. 5,10,000 on account of cost accounting staff in Ordnance Factories.

46. The above figures represent the cost of spiritual ministrations by denominations other than the Church of England. Of the increase of Rs. 309,000 since 1913-14 Rs. 1,89,000 is due to the improvement of the status and emoluments of religious teachers with Indian fighting units.

We are informed that there has been a decrease in the number of British troops in India of the Roman Catholic denomination and we recommend that the number of chaplains of that denomination should be reduced to the essential minimum and all other Roman Catholic clergymen ministering to troops placed on a capitation basis, which it is anticipated will result in a saving of Rs. 1,50,000.

Soldiers belonging to the Church of England are ministered to by chaplains of the Indian Ecclesiastical Establishment the cost of which is borne on the civil estimates. We understand that a proposal is now under consideration for the formation of an Army Chaplains Department the charges for which would be met from the Army budget. We recommend that an early decision should be arrived at on this proposal, and that if it is proceeded with no additional expenditure should be involved.

#### ADMINISTRATION OF CANTONMENTS.

	Rs.
1913-14, Actual Expenditure ..	13,20,000*
1921-22, Revised Estimate..	18,38,000
1922-23, Budget Estimate..	18,24,000

47. There has been no change in the pre-war arrangements regarding the administration of cantonments, the rise in expenditure being due partly to increases in the pay of the staff and partly to increased contributions by Government to cantonment funds, a result of the increased expenditure caused by the rise in prices. Prices have now fallen and we recommend that a reduction of Rs. 50,000 be made under this head

#### RECRUITING STAFF.

	Rs.
1913-14, Actual Expenditure ..	1,67,000
1921-22, Budget Estimate ..	2,10,000
1912-23. Budget Estimate ..	3,06,000

48. The recruiting staff, which before the war consisted of 9 British Officers and 14 Assistant recruiting officers, has been increased to 10 British Officers and 13 other ranks including 176

\* Excluding special expenditure of Rs. 10,92,000 on the New Cantonment Delhi.

permanent recruiters and 40 clerks. If our proposals for a reduction in the establishment of Indian Troops and an increase in their term of service be adopted, there will be a substantial reduction in the annual number of recruits required and a considerable curtailment of the recruiting agency should be feasible. There have, however, been substantial recoveries from the British Government in the last two years for work carried out on their behalf which is not expected to continue. We recommend that the provision under this head be reduced by Rs. 20,000.

#### HILL SANITARIA AND DEPOTS.

	Rs.
1913-14, Actual Expenditure . . .	2,31,000
1921-22, Budget Estimate . . .	3,54,000
1922-23, Budget Estimate . . .	3,62,000

49. No change has been made in the pre-war arrangements for the maintenance of a certain number of Sanitaria for British troops, but one additional sanitarium opened. We understand, however, that it is proposed to lower the minimum age at which a British soldier comes out to India with the object *inter alia* of reducing the capitulation payments to the War Office in regard to British troops. We do not accordingly recommend any reduction in the expenditure under this head.

#### EXPENDITURE IN ENGLAND ON THE STANDING ARMY

	£
1913-14, Actual Expenditure . . .	1,442,000
1921-22, Revised Estimate . . .	4,428,000
1922-23, Budget Estimate . . .	4,287,000

50. The more important items included under this heading are the following :—

*Payments to the War Office in respect of British troops serving in India (£1,788,000).*—These payments are based on a capitation rate for each officer and man on the authorised British establishment, the rate having reference to an actuarial calculation of the number of recruits required annually to keep up the Indian establishment of British troops and to the cost of raising, training and equipping the annual drafts and reliefs. The rate last came under regular revision in 1901 when, as the result of a compromise between the Secretary of State for India (Lord Morley) and the Secretary of State for War (Lord Balfour), the then existing capitation rate of £7-10-0 was raised to £11-8-0. In 1920 the War Office represented

that in view of the rise in the rates of pay and prices this rate was no longer adequate and we are informed that, pending a definite revision of the arrangements which is now under examination, payments from 1920-21 onwards have been made on a provisional basis, namely in 1920-21 and 1922-22 at the rate of £28-10-0 and in 1922-23 at the rate of £25-13-0 per head, on the average estimated strength of British troops in India in these years.

We understand that for 1923-24 the provisional rate has been reduced to £25 and this will effect a saving of approximately £44,000 in addition to that resulting from the reduction in establishment which we have recommended.

The settlement of 1908 was in the nature of a compromise and it is not possible to split up the total charge into the various components entering into the cost. We recommend that the conclusion of a fresh regular settlement should be expedited and suggest that the most equitable arrangement will be to base the payment on the number of troops sent out and the cost of training them, to fix a separate rate for the technical services, and to allocate the cost to the War Office of training recruits between the India Office and the War Office *pro rata* to the normal colour service in each country, subject to a due allowance for the potential value to the British Government of returned men available for the reserve.

51. *Furlough allowances of officers of the Indian Services (£935,000).*—We understand that the most recent information indicates that the budget provision was too high by at least £316,000 and there will therefore be a reduction in 1923-24 of this amount in addition to savings due to reduction in establishment.

52. *Payments to or by the War Office on account of stores taken to or from India by British troops, and their clothing.*—The budget for 1922-23 included provision for a net payment to the War Office of £93,000 compared with £18,000 in 1913-14. The War Office is credited with the value of equipment and stores taken to India by British troops sent to that country and is debited with the value of the equipment and stores sent back with returning troops. We are informed that the heavy provision in the budget for 1922-23 is due to the assumption that a large shortage in the authorised establishment of British troops would be made good in the course of the year. Normally the net expenditure on this account should be small, and, with a reduction in establishment, this net debit should disappear in 1923-24 saving £93,000.

53. *Exchange concession in respect of Mesopotamia (£250,000).*—This item is non-recurring and there will be an automatic saving of this amount.

54. *Unemployment insurance of British troops (£95,000).*—The British soldier serving in India cannot be refused concessions on a scale equivalent to those granted in England.

55. We consider that as India is the largest employer of British troops, outside the United Kingdom, prospective changes in the administration of those troops which involve large expenditure should in every case be fully discussed with the Government of India before being put into effect, and that they should, at least, be given full opportunity of examining all such proposals in their relation to India.

56. *Summary.*—The total of the reductions indicated is £733,000, or a saving of Rs. 1,09,95,000 in 1923-24.

### STOCK ACCOUNT

	Net credits.
	Rs.
1913-14, Actuals . . . . .	4,46,000
1921-22, Revised Estimate . . . . .	2,64,72,000
1922-23, Budget Estimate . . . . .	60,03,000

57. These figures represent the balance of transactions in stores of all descriptions, expenditure on purchase and additions by manufacture or transfer to the account being treated as debits, and issues to units or establishments, and reductions by transfer being treated as credits. It must be noted also that sterling transactions are converted into rupees at Rs. 10 = £1. The gross transactions may be summarised as follows on the basis of Rs. 15 = £1 :—

	Budget estimate, 1922-23.
	Rs.
Arrear payments . . . . .	73,50,000
Cost of stores purchased . . . . .	12,90,24,000
Share of cost of supply organisations, representing overhead charges . . . . .	98,74,000
Total expenditure . . . . .	14,62,48,000
Expenditure excluding arrear payments . . . . .	13,88,98,000
Issues . . . . .	14,81,42,000

The expenditure includes two large arrear payments of £410,000 and £80,000 on account of ordnance and mechanical transport equipment respectively indented for in previous years, or Rs. 73,50,000 in all, and there should be an equivalent saving in 1923-24.

58. Excluding this item, purchases and issues of stores under the various heads, as contemplated in the budget for 1922-23, are shown in the table below :—

Stock account, Budget, 1922-23.

	Total stocks held on 1st April 1922	Additions by purchase or manufac- ture including all overhead charges.	Issues	Loss by fluctuation in prices, etc.	Additions to stock	Reduction of stock
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Provisions . . .	1,51,50,000	4,03,89,000	4,56,85,000	22,33,000	..	75,29,000
Forage . . .	64,97,000	2,72,87,000	2,71,17,000	3,00,000	..	1,30,000
Fuel and light . .	11,61,000	46,38,000	46,58,000	..	..	20,000
Petrol & lubricants .	18,58,000	49,89,000	49,89,000	..	..	..
Miscellaneous stores	4,25,000	14,45,000	14,28,000	17,000	..	..
Medicines and sur- gical implements	1,05,63,000	35,90,000	40,71,000	6,20,000	..	11,01,000
Clothing . . .	1,73,17,000	1,77,15,000	2,33,24,000	3,50,000	..	59,19,000
Ordnance . . .	14,00,00,000*	2,40,42,000	2,34,42,000†	20,00,000	..	14,00,000
Mechanical trans- ports . . .	85,00,000†	55,00,000	40,00,000	15,00,000	..	..
Animals . . .	..	92,63,000	94,28,000	35,000	..	2,00,000
<b>TOTAL</b>	<b>20,14,71,000†</b>	<b>13,86,98,000</b>	<b>14,81,42,000</b>	<b>70,55,000</b>	<b>..</b>	<b>1,62,99,000</b>

\* Total on 31st December 1922. † Approximate, excluding vehicles. ‡ Total, excluding vehicles and animals.  
§ In the Budget, 1922-23, a portion of the issue for consumption was not allocated to units and establishments.  
|| Not allocated to units in the Budget for 1922-23 and remained at debit of the Stock account.  
¶ Includes Rs. 4 lakhs for replacement of vehicles which were not allocated to units in the Budget for 1922-23 and remained at debit of the Stock account.



It will be seen that large reductions were proposed in 1922-23 mainly under provisions and clothing. To this extent the Army was during the year living on its existing stocks of stores, and its real cost during the year was to the same extent understated in the estimates. At the same time, we consider that, in view of the magnitude of the total stocks held, it should be possible materially to restrict purchases in 1923-24 under a large number of the heads, as we have pointed out in dealing with the relevant sections of the estimates. We examine below the savings which it should, in our opinion, be possible to effect by reduction in stocks and otherwise :—

59. *Provisions*—The estimated cost of provisions issued to the fighting and administrative services in 1922-23 without making allowance for the anticipated reduction in stocks during the year was Rs. 4,00,03,000. There are four main ways in which a reduction can be effected :—

- (i) Reduction in establishment.
- (ii) Reduction in stocks held.
- (iii) Fall in prices.
- (iv) Changes in rations, etc.

We have already taken into account the savings which will result from the reduction in establishment which we have proposed. A substantial reduction in stocks is being effected in 1922-23 but we consider that they can safely be drawn on during 1923-24 to the extent of a further Rs. 35 lakhs if our reductions in troops are accepted. In 1922-23, as a result of the fall in prices which has taken place during the year, a saving of Rs. 15 lakhs is anticipated in addition to a lump allowance made on this account in the budget; and on the basis of present prices we consider that a reduction of Rs. 35 lakhs can be assumed in 1923-24 compared with the estimates for 1922-23. On the other hand, an allowance of Rs. 10 lakhs is said to be necessary for losses in storage and transit. The Budget for 1922-23 made no provision for these losses; but some loss is inevitable with transactions of the magnitude mentioned above, and we are informed that the actual loss in 1922-23 will not be less than Rs. 10 lakhs. The resultant saving will thus amount to Rs. 35 lakhs non-recurring and Rs. 25 lakhs a year recurring.

60.—*Ration allowances.* We are informed that the British soldier at present draws a messing allowance of 6½ annas per diem on the basis of an allowance of 6½d. formerly drawn by him when in England, and that the military authorities propose to reduce the allowance to 3½ annas per diem, the English allowance having been reduced to 3½d. per diem. This will effect a saving of Rs. 37 lakhs on the reduced establishment.

61.—*Feed of Animals.*—Substantial economies have been secured on the estimates for 1922-23 as a result of the fall in prices and the reduction of ration scales, the estimated saving being Rs. 41 lakhs in 1923-24. We doubt whether this estimate takes sufficient account of the fall in prices which has occurred, and we recommend that the saving under this head be increased to Rs. 50 lakhs, apart from the saving due to the reduction of 3 British Cavalry Regiments, and the reduction in the war reserve of horses which we have taken into account elsewhere.

We consider also that with the reduction in the strength of troops recommended by us it should be possible to reduce stocks by Rs. 10 lakhs. If allowance be made for a loss in storage and transit of Rs. 5 lakhs for which no provision was made in the Budget, the net saving will be Rs. 45 lakhs a year recurring and Rs. 10 lakhs non-recurring.

62. *Fuel and light.*—There has been no marked fall in prices and we have no recommendation to make about reduction in the cost of issues apart from reduction in strengths of fighting troops, or about reduction in stocks. The reduction in issues which will result from a reduction in the strength of troops has been taken into account by us elsewhere.

63. *Petrol and lubricants.*—There has been no marked fall in prices and we assume no reduction in the cost of issues. We consider, however, that, with the proposed rationing of petrol and limitation of mileage to be run by vehicles in times of peace, it should be possible to reduce stocks by Rs. 5 lakhs:

64. *Medicines and Surgical instruments.*—We have been supplied with the following figures for the operations of the Medical Store Depots in 1921-22 :

	Rs.
Value of stores on 1st April 1921 ..	1,50,91,000
Purchases during the year ..	42,70,000
<b>TOTAL</b>	<b>1,93,61,000</b>
Issues to military departments ..	25,64,000
Issues to civil departments ..	27,78,000
Transferred to Disposals Commissioner	33,18,000
Miscellaneous .. ..	1,38,000
Value of stock held on 31st March 1922	1,05,63,000
<b>TOTAL</b>	<b>1,93,61,000</b>

The stores transferred to the Disposals Commissioner represented stores acquired and held for the Imperial Government during the war and subsequently disposed of on their behalf, the Indian Government being credited with their cost. The item 'Miscellaneous' includes certain further stores in the same category similarly disposed of, but whose value is still under adjustment.

We are informed that the Department was formerly allowed to keep 3 years' stocks of imported stores, though, in practice, only 2 years' stocks were held. This practice was modified in September 1921 when rules were issued providing for the maintenance of 6 months' supply of imported stores and 3 months' supply of local stores for the despatch of 2 Home indents a year instead of one. Arrangements have now been made with the High Commissioner under which he is furnished with a list of various scales of mobilization requirements for which orders can be placed by telegram when necessary. The budget for 1922-23 provided for a purchase of Rs. 35,90,000 against an estimated issue of Rs. 46,91,000 involving a reduction of about Rs. 11 lakhs in the total stocks held. We consider, however, that the stores held are excessive in relation to the annual issue and that early steps should be taken to reduce the stocks to the level authorised by the orders passed in 1921. We are informed that the estimated new purchases of stores in 1923-24 amount to Rs. 35,15,000 of which Rs. 21,35,000 represents purchases in India and Rs. 13,75,000 purchases in the United Kingdom. We have scrutinised a recent indent and, having regard to the magnitude of the stocks held and the reduced demands from the Army, we recommend that the budget for new purchases be curtailed by Rs. 10 lakhs, that a complete review be made of all articles held, and that, apart from the mobilization reserve of Rs. 4 lakhs, any stocks in excess of eighteen months' supply of articles not in common use or liable to deterioration be sold.

65. *Clothing*.—We are informed that an increase of 25 per cent. in the authorised periods of wear of clothing is estimated to produce an annual saving of approximately Rs. 23 lakhs. We recommend that the possibility of effecting this and other economies be further examined and the clothing and kit allowances reviewed. Making allowance for savings in the above direction and for reduction of Rs. 30 lakhs in existing stocks, we recommend that a total saving of Rs. 53 lakhs be effected under this head in 1923-24.

66. *Ordnance*.—We have ascertained that the total Ordnance Stores held on the 31st December 1922 was as follows :—

		Book value
		Rs.
Working Stock	.. ..	3,50,00,000
Surplus Stores	.. ..	4,00,00,000
War Reserves	.. ..	6,50,00,000
		<hr/>
		14,00,00,000

The Quartermaster General has represented that, of the Rs. 3½ crores of Working Stock, only Rs. 1½ crores represent stocks that are fluid, that is stocks required for issue to the Army which are worn out and never return. The balance of Rs. 2 crores represents stores which are issued temporarily to units and are returned when no longer required, such as tents, the value of which is about a crore.

Of the Surplus Stores about Rs. 3½ crores consist of rifles, Lewis guns, bayonets, army carts, etc. We are informed that about Rs. 50,00,000 worth of surplus stores are about to be sold and it is anticipated that they will only realise about Rs. 9,00,000. We observe that, although enormous stocks of Ordnance Stores are being held, provision for the purchase of Rs. 2,40,42,000 of stores was made in the 1922-23 budget or Rs. 6 lakhs more than the estimated value of the issues. It is evident therefore that there is little prospect of the surplus stores being utilised for some considerable time and meanwhile considerable expenditure is being incurred on storage, maintenance and reconditioning of stores in addition to the loss of interest on capital.

With regard to the stocks of war reserves we consider a reduction of 50 per cent. could be effected. In our opinion the country simply cannot afford to keep anything like Rs. 14 crores locked up in Ordnance Stores, the interest charges on which would alone amount to about Rs. 84 lakhs and the total cost would certainly be not less than Rs. 1 crore per annum.

We have already suggested that the total stores held should be reduced to Rs. 8 crores, and recommend that expenditure in 1923-24 should be limited to Rs. 130 lakhs after allowing Rs. 10 lakhs for the fall in prices, a reduction of Rs. 1,00,42,000, and that, if any balance is required for consumption, this should be obtained by reduction of stocks or from the proceeds of sales of surplus stores.

67. *Mechanical Transport.*—We have ascertained that the value of the stock of solid tyres on hand on the 31st March 1922 was Rs. 10,70,000 representing 2½ years' supply on the basis of the previous year's requirements. The value of the stock of pneumatic tyres was Rs. 12,13,000 or just under one year's supply. The total value

of the stock of spare parts on hand in March 31st, 1922 was approximately Rs. 69,00,000.

We are of the opinion that it should be possible to meet requirements for tyres and spare parts in 1923-24 by consuming existing stocks or alternatively from the proceeds of sale of spare parts not required. In our opinion the grant for the purchase of these articles in 1923-24 should be reduced by Rs. 15 lakhs and corresponding reduction made in stocks.

The budget estimate for 1922-23 included £40,000 or Rs. 6,00,000 for the purchase of new vehicles to replace normal wastage. As we have allowed full provision for this purpose in dealing with Mechanical Transport as a whole there will be a further reduction of Rs. 6,00,000 in the total expenditure on Mechanical Transport.

68. *Animals.*—We are informed that no purchase of camels will be required in 1923-24, saving Rs. 3,33,000 and, if the proposals we have made about reduction in strength of fighting troops are accepted, it should, in our opinion, be possible to reduce the purchase of animals by Rs. 10,00,000 by making an equivalent reduction in the number of animals in the Remount Depots.

69. Against a total saving of Rs. 3,51,42,000 which we have indicated in paragraphs 58 to 67 inclusive it must be borne in mind that the budget for 1922-23 assumed a saving of Rs. 1,62,99,000 by reduction in stocks during the current year. The *net* saving compared with the 1922-23 estimate is therefore Rs. 1,88,43,000.

#### SPECIAL SERVICES.

	Rs.
1913-14, Actual Expenditure..	.. 34,95,000
1921-22, Revised Estimate ..	.. 8,17,81,000
1922-23, Budget Estimate ..	.. 1,98,24,000

70. The main item included under this heading is Rs. 173 lakhs for Waziristan occupation and operations. We are informed that the provision in the military estimates for 1923-24 on this account, excluding military works and political expenditure, will be limited to Rs. 19,50,000, a reduction of Rs. 1,53,50,000.

This head also includes Rs. 20 lakhs in respect of troops at Aden. The position is that the cost of troops employed at Aden is borne by the Indian Government except—

- (a) a contribution, as before the war, of £100,000 per annum from the British Government, and,
- (b) a moiety of the cost of troops maintained in excess of the pre-war strength paid by His Majesty's Government,

The only important variation in the pre-war garrison is the addition of a local regiment of infantry, and owing to reduction in personnel and the fall in prices, it is now estimated that India's share of this addition to the pre-war force in 1922-23 will not exceed Rs. 10 lakhs. On the other hand we are informed that the charges of the pre-war garrison will exceed the Budget provision by Rs. 10 lakhs owing to a miscalculation of the Budget grant. We recommend that the garrison at Aden should now be reduced to the pre-war strength, representing a saving of Rs. 10 lakhs on the estimates for 1922-23.

There will be further savings under this head in 1923-24 of Rs. 3,40,000 representing arrear adjustments to be made in 1922-23 for the Afghan War and the Great War, or a total saving of Rs. 1,66,90,000 compared with the budget of 1922-23.

### MISCELLANEOUS RECEIPTS AND CHARGES

This heading of the estimates includes transport of troops and carriage of stores, which we have already dealt with under Transport charges, and sundry fluctuating charges referred to below :—

#### 71. *Miscellaneous*—

	Net receipts.	Net expenditure
	Rs.	Rs.
1913-14, Actual Expenditure	..	4,33,000
1921-22, Budget Estimate	..	34,10,500
1922-24, Budget Estimate	68,57,000	..

The budget for 1922-23 includes casual receipts of £ 395,400 from the War Office in settlement of certain war liabilities, and of Rs. 33 lakhs from the sale of surplus ordnance stores in India. On the other side are included some items of miscellaneous expenditure in England which would have been shown under other heads of account but for the late date on which the intimation was received, and expenditure of Rs. 10,60,000 in India representing mainly (1) the value of stores issued by the Army to other departments in respect of which no charge is, under the existing arrangements, made by the former to the latter and which must consequently be charged against the Army account, and (2) miscellaneous losses and compensation payable to individuals for losses.

The receipt of Rs. 59,25,000 in England is of a non-recurring character. In regard to the casual receipt of Rs. 33 lakhs in India from sale of surplus ordnance stores, the acceptance of our recommendations will lead to the disposal of further surpluses; but we have taken credit for the sale-proceeds in other sections of this

report and we cannot take credit for them again here. Omitting the two special items of receipt, the net expenditure in 1922-23 amounts to Rs. 23,68,000. We recommend that where stores are issued by the Army to other departments, a debit should be raised against the department concerned; and that the grant for net expenditure under Miscellaneous should be reduced to Rs. 20,00,000. The net receipt of Rs. 68,57,000 in 1922-23 will then give place to a net expenditure of Rs. 20,00,000 in 1923-24.

*72. Provision for new Measures and unallotted reserve with the Government of India—*

A sum of Rs. 22,13,000 was included on this account in the 1922-23 budget, besides an unallotted reserve of Rs. 22 lakhs, which was spent on the Air Force. Of the former sum, about one-half represents recurring expenditure. In future years, we understand this will be shown under the appropriate heads; the balance was really intended to form an instalment of the outlay required to complete the equipment of the Army up to authorised scales and should not have been included in the provision for *new measures*. We recognise the importance of completing the equipment of the Army up to the authorised scales, particularly if our recommendations about reductions in strengths of troops are accepted. We understand that the Government of India propose to allot Rs. 30 lakhs for completion of equipment in their Military Budget for 1923-24. We recommend, however, that no provision for an unallotted reserve should be included in future budgets.

The resultant saving as compared with the budget for 1922-23 will be Rs. 3,00,000

NON-EFFECTIVE CHARGES

		Rs.
1913-14, Actual Expenditure	.. ..	4,68,51,000
1921-22, Revised Estimate	.. ..	6,15,30,000
1922-23, Budget Estimate	.. ..	8,96,79,000

73. The bulk of the expenditure under this head represents pensions. We are informed that India's share in the retired pay of British Officers and Other Ranks who have left the service during the last few years has been assessed on estimates prepared by the War Office, apparently on the basis of pre-war experience. We recommend that the pre-war arrangement be reverted to, under which a settlement was arrived at for each individual on retirement on the basis of his expectation of life.

74. A provision of £350,000 was also included in 1922-23 budget for gratuities to surplus officers under demobilisation. It

is estimated that the measure for the retirement of surplus officers will involve further expenditure of £3 million during the next 3 years for the allowances and balance of gratuity payable to the demobilised officers and that India's share of this expenditure in 1923-24 will be £415,000, an increase of £65,000 or Rs. 9,75,000. We understand that in future this charge will be transferred from the non-effective account to the head "Special Services".

We recognise that the reductions in strengths of troops and administrative services recommended by us will involve a considerable amount of terminal charges and a temporary addition to the non-effective charges. We are unable to furnish any reliable estimate of either class of expenditure, which we have not taken into account in our financial calculations.

#### AUXILIARY AND TERRITORIAL FORCES

			Rs.
1913-14, Actual Expenditure	..	..	32,84,000
1921-22, Revised Estimate	..	..	73,25,000
1922-23, Budget Estimate	..	..	1,18,86,000

75. The expenditure in 1922-23 is subdivided as follows :—

				Rs.
Staff at Army Headquarters	..	..		78,000
Staff at Headquarters of Commands	..	..		1,23,000
Staff at Headquarters of Districts	..	..		99,000
Auxiliary Force	..	..	..	75,86,000
Territorial Force	..	..	..	40,00,000
				<hr/> 1,18,86,000

It was originally contemplated that the Territorial Force should be a second line for the Indian Army, and that it should form a reserve in case of war. The present liability of the force is to serve anywhere, and to perform any duties required of it, including internal security. We are informed, however, that it will be five years before an opinion can be formed of the value of the force, which has not yet done its first training. We are informed that the cost of the units of the Territorial force which are under formation, or whose formation has been sanctioned, will amount to about Rs. 30 lakhs in 1923-24, and, taking into account some savings in headquarters and other staff, we recommend that the budget for 1923-24 be fixed at Rs. 1,08,00,000, a saving of Rs. 10,86,000.



## CONCLUSIONS

Having reviewed the expenditure of the Army we recommend that :—

- (1) the reductions which we have indicated be effected in the strength of the fighting services, saving Rs. 303 lakhs per annum ;
- (2) steps be taken to organise an effective reserve and so enable the peace strength of Indian battalions to be reduced to 20 per cent below the war establishment, saving Rs. 63 lakhs net per annum ;
- (3) the necessity for retaining the present system of four Commands be reviewed in 12 months' time, and that in the meantime the number of districts be reduced as far as possible ;
- (4) the authorised establishment of motor vehicles, including reserves, be limited to 1,600; the number of vehicles in use and mileage run be strictly limited, and a system of rationing petrol be introduced ;
- (5) the supply services be reorganised on a less expensive basis, and the stocks held at depots reduced ;
- (6) commercial accounts be kept for all manufacturing establishments and for the Remount department ;
- (7) the basis of the capitation rate for British troops, now under revision, be determined in the manner indicated in our report ;
- (8) the Government of India be given a full opportunity of reviewing any proposed changes in the administration of British troops involving large expenditure before such changes are brought into operation ;
- (9) stocks of stores generally be largely curtailed, and stocks of Ordnance stores including reserves be reduced from Rs. 14 crores to Rs. 8 crores, all surplus Ordnance stores being disposed of ; and
- (10) the budget estimate for 1923-24 be limited to Rs. 51,47,00,000, a reduction of Rs. 8,95,30,000 compared with the budget estimates for 1922-23, subject to such adjustment as may be necessary on account of the delay which must ensue in carrying out the proposed changes.

**ROYAL AIR FORCE.**

	<b>Rs.</b>
1913-14, Actual Expenditure ..	41,000
1921-22, Revised Estimate ..	1,34,29,000
1922-23, Budget Estimate ..	1,41,00,000

We understand it has been decided that in future the estimates of the Royal Air Force shall be included in a separate section of the Budget which will contain provision for all expenditure relating to the Force. We are informed that the provision proposed under this head for 1923-24 is Rs. 1,88,05,000. A portion of the increase is due to the transfer to the section of expenditure in the Military Works Department on accommodation for the Force (Rs. 10 lakhs in 1922-23), and of payments to the Air Ministry for passages. The balance is required to bring the Air Force up to a state of efficiency. Since the potentialities of the Air Force in India are only now being proved, and there is a possibility that the extended use of the Air Force might result in economies in expenditure on ground troops, we make no recommendations.

**ROYAL INDIAN MARINE.**

The estimate for 1922-23 compares with the revised estimate for 1921-22 and the actual expenditure in 1913-14 as follows :—

	<b>Expenditure in India.</b>	<b>Expen- diture in England.</b>	<b>Total (sterling converted at rate of Rs. 15=£1).</b>
	<b>Rs.</b>	<b>£</b>	<b>Rs.</b>
1913-14, Actual Expenditure	24,93,000	257,100	63,49,000
1921-22, Revised Estimate ..	44,97,000	392,900	1,03,91,000
1922-23, Budget Estimate ..	67,21,000	465,200	1,36,99,000

**2. The functions of the Royal Indian Marine hitherto have been—**

- (1) The conveyance of troops in "Indian waters".
- (2) The maintenance of station ships, the tending of light-houses in the Red Sea, the Persian Gulf and Burma, and the Marine Survey of India.

(3) The maintenance of the Bombay Dockyard and of all military launches.

A list of vessels in the Royal Indian Marine together with details of the cost of maintaining the more important vessels is given in Appendix A.

3. *Troopships*.—We are informed that it is proposed to dispose of the three troopships "Dufferin", "Hardinge" and "Northbrook". These vessels, which were originally intended to convey troops in "Indian waters", have been engaged mainly on trooping service for His Majesty's Government from whom the expenditure incurred was recovered. The total cost of maintaining these three vessels for 1922-23 was Rs. 34,93,869, excluding Rs. 8,17,485 for interest on capital at 5 per cent. and depreciation charges at 4 per cent. The sale of the vessels will therefore effect an automatic reduction in the provision required for 1923-24 of Rs. 34,93,869 against which must be set off the loss of receipts from the hire of the vessels to His Majesty's Government, *viz.*, Rs. 3,18,000, and the expenditure which must be incurred for care and maintenance parties for each vessel until sold, which is estimated at a total of Rs. 90,000 annually. The net reduction in the provision required for 1923-24 compared with the current year is consequently Rs. 30,86,000.

4. *Station-ships, etc.*—We discussed with the Director, Royal Indian Marine, the possibility of dispensing with some of the other Royal Indian Marine vessels now maintained, and understand that he has suggested to the Government of India that the "Lawrence" should be fitted up to perform her own duties and those of the "Nearchus". The annual cost of maintaining the "Nearchus," which is borne on the Political Estimates, is Rs. 4,86,000, of which one-half is paid for by the British Government. The "Lawrence" is at present utilised as a despatch vessel in the Persian Gulf and we consider that her cost also, *i.e.*, Rs. 4,62,000, exclusive of interest on capital and depreciation, should be borne on the Political estimates.

It should also be possible to arrange for the tending of certain of the Burma lights by trawlers and for the "Clive" to combine the Andaman and Burma station-ship duties and thereby release the "Minto" for disposal. The cost of maintaining the "Minto", exclusive of interest on capital and depreciation is Rs. 2,77,000, and the disposal of this vessel less the cost of maintaining trawlers would therefore effect some saving and the disposal of this vessel.

The "Cornwallis", which is employed as a station-ship at Aden, attends to the lights in the southern end of the Red Sea and, as we

are informed that the Board of Trade is being asked to defray the cost of attending to these lights, a small saving in the Marine estimate should result therefrom. The "Dalhousie" is used as a receiving ship at Bombay at an annual cost of Rs. 1,30,000, but, in view of the decision to dispose of the 3 troopships and other Marine vessels, we consider that this vessel will no longer be required.

5. *Sloops and Patrol Craft*.—The sloop "Elphinstone" and the two Patrol Craft boats "Baluchi" and "Pathan" were presented to India by the Admiralty after the war. The sloop is used as a relief station ship to replace vessels as required during the period necessary for their annual refit or for repairs. It is intended to keep one of the Patrol Craft boats in commission for use as a training ship and the other Patrol Craft boat in reserve for use when the training ship is not available. The annual cost of maintaining the sloop is estimated at Rs. 3,21,000 and the two Patrol Craft boats at Rs. 1,50,000. Special provision for reconditioning these 3 vessels was made in the 1922-23 Budget, the total amount provided for their maintenance being Rs. 5,86,000. There should therefore be an automatic saving of Rs. 1,05,000 for 1923-24.

6. *Trawlers*.—Of the nine trawlers now maintained, one has been leased to the Bombay Port Trust, who bear all working expenses and the cost of repairs, etc. We are informed that the second trawler has recently been hired to the Iraq Administration on a monthly hire of Rs. 2,000 and arrangements are being made to hire the third trawler to a private individual for experimental fishing. Two of the remaining six trawlers may possibly be used as training ships in addition to the Patrol Craft boat, one will be utilised as a light-ship in the Persian Gulf in lieu of the existing light-ship and it is proposed to convert another into a water barge. The remaining 3 trawlers are at present unemployed.

We consider that one Patrol Craft boat and at least four trawlers should be dispensed with immediately.

7. *Yard craft and military launches*.—The number of yard craft in Bombay is 10, which is excessive and should be reduced. We have reviewed the use made of the 24 military launches and it has been agreed that 6, or possibly 7, of these launches can be dispensed with, and a saving of at least Rs. 60,000 per annum effected.

8. *River Steamers*.—The two river steamers "Bhamo" and "Sladen" are being replaced by two vessels which the Government of Burma has purchased from Iraq and a saving of Rs. 1,70,000 is anticipated for 1923-24.

9. The expenditure in India is subdivided under main heads as shewn below and it will be convenient to deal with each head seriatim :—

Head.	1913-14, Accounts.	1921-22, Revised Estimate.	1922-23, Budget Estimate.
	Rs.	Rs.	Rs.
General supervision and accounts	2,04,000	4,03,000	4,20,000
Marine Survey .. .. .	58,000	96,000	1,08,000
Miscellaneous Shore Establish- ments.	27,000	24,000	73,000
Dockyards .. .. .	7,16,000	18,66,000	17,27,000
Salaries and Allowances of Officers and men afloat.	8,23,000	18,69,000	20,99,000
Victualling of Officers and men afloat.	3,24,000	8,58,000	7,57,000
Marine Stores and Coal for Royal Indian Marine vessels.	12,86,000	27,71,000	28,15,000
Purchase and hire of ships and vessels.	5,000	9,000	9,000
Miscellaneous .. .. .	3,12,000	11,68,000	5,86,000
Pensions .. .. .	81,000	1,00,000	1,50,000
<b>Total Expenditure ..</b>	<b>38,36,000</b>	<b>91,64,000</b>	<b>87,44,000</b>
<b>Less Receipts in India ..</b>	<b>13,43,000</b>	<b>46,67,000</b>	<b>20,23,000</b>
<b>Total net Expenditure in India</b>	<b>24,93,000</b>	<b>44,97,000</b>	<b>67,21,000</b>

10. *General Supervision and Accounts, Rs. 4,20,000.*—The large increase in the expenditure under this heading compared with 1913-14 is mainly due to the expansion of the Accounts section consequent upon the growth of Dockyard work. The cost of this section has risen from Rs. 88,000 in 1913-14 to Rs. 2,48,000 required for 1922-23, but the percentage cost of the accounting staff to the total expenditure dealt with has decreased from 1'08 per cent. to '92 per cent. so that the additional staff employed was apparently fully justified. The work in the Dockyards has recently fallen off about 15 per cent. and a *pro rata* reduction should therefore be immediately possible in the Accounts section and a further reduction when our recommendations regarding the Dockyards take effect.

We ascertained that, although roughly 25 per cent. of the cost of Supervision and Accounts is incurred in connection with the

Dockyards, it has not been the practice to make a full charge for these services in the case of works carried out for the Royal Navy, Local Governments or outside bodies. Recently however it was decided that an appropriate share of all indirect charges should be added to the cost of work executed in the Dockyard and recoveries to the extent of Rs. 2,00,000 are anticipated for the current year. In view of the proposed reductions in the activities of the Royal Indian Marine we consider there will be no justification for retaining the post of Deputy Director and we recommend this appointment be abolished and that the house now being built for the Deputy Director in the Dockyard at a cost of over Rs. 1 lakh should be occupied by the Director of the Royal Indian Marine for whom a house is now rented, the provision made for 1922-23 being Rs. 12,000.

It has been represented to us that considerable difficulty has been experienced by the frequent changing of the Controller of Marine Accounts. We suggest that, if possible, an officer should be retained permanently in the appointment.

We recommend that the provision for General Supervision and Accounts in 1923-24 should be limited to Rs. 3,50,000, of which Rs. 2,00,000 should be recovered from the Royal Navy and other bodies, in connection with work carried out in the Dockyard.

11. *Marine Survey, Rs. 108,000.*—The expenditure included under this head represents only the pay of Scientific Officers, Surveyors and Assistant Surveyors and their office establishment. The total cost of maintenance of the two survey ships is estimated at Rs. 7,54,000 for 1922-23. We ascertained that the complements of the two marine survey vessels have been increased as follows :—

	Gross Tonnage,	1913-14 Complement,	1922-23 Complement.
" Investigator "	.. 1,185	109	118
" Palinurus "	.. 444	46	54

The additional ratings comprise 12 Signalmen, 2 Sick berth and dispensary attendants, 2 Engine drivers temporarily employed, and 1 Bhandary. We discussed the necessity for employing these additional ratings with the Director, who stated that he hoped to be able to effect a reduction in the number of signallers and in the complements of all Marine vessels for 1923-24.

A considerable portion of the cost of marine survey work has in recent years been recovered from Port Trusts, Local Governments and the Anglo Persian Oil Company, but we ascertained that no charge has been included for interest on capital, depreciation and pension

charges and we recommend that in future the charges made should cover the full cost involved.

Survey work is an essential function of the Royal Indian Marine and apart from minor economies resulting from a curtailment of the complements of the survey vessels, we make no recommendation.

12. *Miscellaneous shore establishments, Rs. 73,000.*—The expenditure on miscellaneous shore establishments is subdivided as follows :—

	1913-14,	1922-23,
	Rs.	Rs.
Perim Light House .. ..	9,000	10,000
Coal Depots in Persian Gulf ..	16,000	60,000
Miscellaneous .. ..	2,000	3,000
<b>TOTAL ..</b>	<b>27,000</b>	<b>73,000</b>

We recommend that the cost of working the Perim Lighthouse should be recovered by light dues, saving Rs. 10,000.

The expenditure under "Coal Depots in the Persian Gulf" is mainly in connection with India's liability for the supply, free of charge, of coal to subsidised vessels of the Royal Navy employed in the Persian Gulf. The large increase since 1913-14 is due to the retention of the Coal Depot at Henjam which was opened during the war to supply coal to Government transports plying between India and Mesopotamia. Prior to the war, coal was kept only at Bushire, Muscat and Basrah and we are of opinion that, unless it can be shown that the retention of Henjam, which we understand is situated in a very advantageous position, can be justified financially, it should be dispensed with. We are informed however that, even if Henjam is retained, a saving of Rs. 32,000 will be effected for 1923-24 by the employment of an outside contractor.

We recommend that the total provision for miscellaneous shore establishment in 1923-24 should be limited to Rs. 31,000, a reduction of Rs. 42,000.

13. *Dockyards.*—Since 1913-14 the Kidderpore Dockyard has been closed down as a Government concern, but Rs. 25,000 was provided in 1922-23 for a care and maintenance party to look after the buildings and machinery until they are taken over by the Calcutta Port Trust or otherwise disposed of. We understand that no provision will be required for 1923-24 and there will therefore be an automatic saving of Rs. 25,000.

The expenditure incurred at Dockyards chargeable to the Royal Indian Marine is subdivided as follows :—

	1913-14.	1921-22.	1922-23.
	Rs.	Rs.	Rs.
(A) Administrative and super- vising staff .. ..	2,99,000	3,30,000	4,89,000
(B) Wages of Artificers and Labourers .. ..	4,09,000	15,04,000	10,63,000
(C) Miscellaneous expenditure .	8,000	32,000	1,75,000

Hitherto no commercial accounts of the working of the Dockyards have been kept and it is not therefore possible to ascertain whether the Dockyards are being economically worked or otherwise. We are informed however that a new system of accounts on a commercial basis has been introduced for the current year.

(a) *Administrative and Supervising Staff*—We understand that, apart from the general increase in salaries and wages, the increased expenditure compared with 1913-14 is due to the employment of additional staff consequent upon the increase of work at the Dockyard. We are informed that a number of foremen and inspectors have been obtained from the Admiralty Dockyards in England on a three years' contract with a view to increasing efficiency and that the additional supervision provided has already enabled a considerable reduction to be effected in the cost of labour. Ultimately it is proposed that these men shall be replaced by Indian mechanics, when sufficiently experienced to take charge, but no immediate reduction can be effected.

(b) *Wages of Artificers and Labourers*—There will be a large saving in the cost of wages chargeable against the Marine Service in 1923-24, owing to the reduction in the number of vessels to be maintained but we have already taken credit for these savings.

(c) *Miscellaneous expenditure*.—The provision for 1922-23 included Rs. 1,15,000 for underground mains for electric power and as this expenditure is non-recurring a reduction of Rs. 1,15,000 may be anticipated for 1923-24.

When the three troopships the "Hardinge," the "Northbrook" and the "Dufferin" and the stationship "Minto" have been disposed of and the number of launches reduced, there will only remain about 8 small vessels and 18 launches apart from yard craft to be docked and overhauled in the Bombay Dockyard in addition to the overhauls to be done to His Majesty's ships on the East India Station. There



are several other dry docks in Bombay which could be utilized and a number of up-to-date marine workshops which could be made use of in the event of some vessels having to be repaired urgently. It is self-evident, therefore, that there is no occasion to maintain in the dockyard the present large establishment which is as follows :—

	EUROPEANS.		INDIANS.		TOTAL.	
	No	Monthly cost.	No	Monthly cost.	No	Monthly cost.
		Rs.		Rs.		Rs.
Permanent establishment	54	48,120	128	17,370	182	60,490
Temporary establishment	2	1,650	453	24,937	455	26,587
Artificers on daily rates of pay	14	1,272	3,694	1,41,150	3,708	1,42,422
<b>TOTAL</b>	<b>70</b>	<b>46,042</b>	<b>4,275</b>	<b>1,83,457</b>	<b>4,345</b>	<b>2,29,499</b>

We are of opinion that a drastic reduction should be made and only sufficient personnel maintained to provide for current work and to leave the dockyard capable of expansion in an emergency.

14. *Salaries and allowances of officers and men afloat—*

Rs.

1913-14, Actual Expenditure	..	8,23,000
1921-22, Revised Estimate	..	18,69,000
1922-23, Budget Estimate	..	20,99,000

A reduction of Rs. 5,43,047 will automatically be effected under this heading in 1923-24 by the sale of the three troopships and further savings by the abolition of other vessels. Apart from these savings, the Director of the Royal Indian Marine anticipates that it will be possible to effect a reduction in the complements of marine vessels and we consider that a saving of additional Rs. 50,000 should be possible for 1923-24.

We are informed that it was represented by the Director of the Royal Indian Marine, when the budget for 1922-23 was being proposed, that the rates of pay and allowances of Indian ratings compared unfavourably with those paid by the Mercantile marine and that, in consequence, difficulty was being experienced in securing and retaining a suitable class of men. The pay of Mercantile marine ratings has however been reduced recently and a similar reduction should therefore be possible in case of Royal Indian Marine ratings.

15 *Virtualing of officers and men afloat, Rs 7,57,000.*—Apart from the saving which will accrue under this heading in 1923-24 by the reduction in the number of Marine vessels, some saving should be possible in the cost of rations, owing to the fall in prices which has taken place, and we consider that an additional saving of at least Rs. 30,000 should be possible.

16. *Marine stores and coal for Royal Indian Marine vessels.*—The provision under this heading for 1922-23 included Rs. 2 lakhs for the payment of the arrear claims. A saving of Rs. 85,000 is also anticipated on the cost of marine stores owing to the fall in prices. It is admitted that, until recently, the arrangements for the purchase, issue and control of stores were unsatisfactory and that there was a large accumulation of certain classes of oil and cordage. There was no properly trained store officer in charge or any system of verification of stocks, and indents were based on the average of the three previous years without regard to the stock on hand. We refer to this matter later in dealing with imported stores.

With regard to coal we are informed that the budget provision was based upon the amount to be purchased, which was considerably less than the amount actually consumed, the difference representing a reduction in stocks. Full credit for the coal consumed by the troopships, etc., which it is proposed to dispense with, has been taken in estimating the savings in respect of these vessels, and some allowance must therefore be made for depletion of stocks.

17. *Miscellaneous Rs. 5,86,000—*

The analysis of this expenditure is as follows :—

—	1913 14	1921-22	1922-23
	Rs.	Rs.	Rs.
Medical Stores ...	3,000	9,000	3,000
Piloting and towing ...	32,000	74,000	54,000
Passage and conveyance ...	31,000	62,000	1,06,000
Repairs to Royal Indian Marine vessels at outstations ...	16,000	86,000	1,09,000
Miscellaneous ...	10,000	1,99,000	2,64,000
Freight ...	14,000	50,000	50,000
<b>TOTAL ...</b>	<b>1,06,000</b>	<b>4,82,000</b>	<b>5,86,000</b>

We discussed in detail the expenditure under this heading with the Director of the Royal Indian Marine who stated that the large

increase in the expenditure on repairs to Royal Indian Marine vessels at outstations was due to reconditioning the troopers after the war and that a considerable saving might be anticipated for 1923-24. The expenditure under "Miscellaneous" had been largely overestimated and the actual expenditure in the first six months only amounted to Rs. 27,000. We recommend, therefore, that the total provision for miscellaneous expenditure be reduced from Rs. 5,86,000 to Rs. 3,00,000, a saving of Rs. 2,86,000.

18. *Receipts in India—*

	Rs.
1913-14, Actual Receipts ..	13,43,000
1921-22, Revised Estimate ..	46,67,000
1922-23, Budget Estimate..	20,23,000

The receipts under this head may be sub-divided as follows :—

	1913-14.	1921-22.	1922-23
	Rs.	Rs.	Rs.
Recoveries from His Majesty's Government and from other Departments in India in connection with the work carried out at the dockyards, etc.	9,76,000	13,94,000	9,96,000
Hire of vessels .. ..	2,46,000	27,74,000	3,18,000
Sale proceeds of stores ..	58,000	4,00,000	4,00,000
Miscellaneous .. ..	41,000	79,000	2,87,000
Recoveries on account of Indian service family pensions	22,000	20,000	22,000
TOTAL ..	13,43,000	46,67,000	20,23,000

It was represented to us that it was difficult to frame any reliable estimate of the work which the Admiralty require to be carried out at Bombay Dockyard. The class of ships stationed in the East Indies varies from time to time and, whereas the Admiralty furnished a statement of the ships which will refit in the ensuing year, it is not possible to estimate beforehand what repairs and alterations will be required. All expenditure incurred is recoverable, and, as the staff employed at the dockyards is regulated to meet the current requirements, any reduction in receipts will be offset by decreased expenditure. The receipts from the hire of vessels relate to troopships and the loss of these receipts in 1923-24, which will result from the disposal of the three troopships, has already been taken into consideration. The miscellaneous receipts comprising recoveries

from the supply of coal in the Persian Gulf to vessels of the Royal Navy other than the subsidised ships.

*Expenditure in England.*

	£	Rs.
		£1=Rs. 15
1913-14, Actual Expenditure ..	257,100	38,56,500
1921-22, Revised Estimate ..	392,900	58,93,500
1922-23, Budget Estimate ..	465,200	69,78,000

19. This expenditure is subdivided under main heads as shown below :—

	1913-14	1921-22	1922-33
	£	£	£
Contribution towards expenses of Imperial Navy	100,000	100,000	100,000
Royal Indian Marine furlough pay.	10,000	30,000	30,000
Stores for India .. ..	117,700	216,000	194,400
Coal supplied to subsidised vessels and the Royal Navy in the Persian Gulf.	..	..	46,000
Purchase of vessels .. ..	..	..	51,000
Sundry items .. ..	1,700	3,000	2,500
Pensions .. ..	27,700	43,900	40,700
TOTAL ..	257,100	392,900	465,200

The first two items in the above table are not susceptible of reduction, except in so far as the furlough pay will be reduced by the reduction in the number of officers employed in the Royal Indian Marine. With regard to stores we are informed that, owing to the existence of large stocks, the expenditure for the current year has been restricted to £72,500. Particulars of the stock of principal commodities on hand on the 1st April 1922 and the normal consumption per annum are given in Appendix B. We understand that until recently it has been the practice to maintain 3 years' reserve stock and that it has been decided that in future only 2 years' supply of imported stores should be kept in reserve. The total value of imported and Indian stores on hand on March 31st, 1922, was Rs. 75,11,000, and of the issues during 1921-22, Rs. 39,52,000. We consider that the reserve should be restricted to one year's requirements and we recommend that the provision for 1923-24 be limited to £75,000, a reduction of £119,000.

*Coal supply to subsidised vessels of the Royal Navy and the Persian Gulf.*—Although £46,600 were provided under this heading for 1922-23, the expenditure is now estimated at only £18,000. No restriction exists as to the amount of coal to be supplied free to Royal Navy subsidized vessels, the arrangement being that ships enter the Gulf with full bunkers at Admiralty expense and leave the Gulf with bunkers full at Indian Government expense. It appears, however, that the estimate for 1922-23 was framed on a basis far in excess of the actual consumption during recent years and also pre-war years, and we recommend that the estimate for 1923-24 be limited to £25,000, a reduction of £21,600.

*Purchase of vessels, £51,000.*—The expenditure under this heading was for the purchase of a new station-ship for Aden in replacement of the "Dalhousie" which has become unserviceable. No similar provision will be required for 1923-24.

*Sundry items and pensions.*—The expenditure under these headings does not call for any special comment and we make no recommendation.

### CONCLUSIONS

Having reviewed the expenditure of the Royal Indian Marine we recommend that:—

- (1) the Service be drastically curtailed and reorganised on the lines suggested;
- (2) the Dockyard be worked as a separate entity on a commercial basis;
- (3) the three troopships, "Dufferin," "Hardinge" and "North-brook" be laid up forthwith and placed under care and maintenance parties until sold;
- (4) only such vessels as are necessary for the essential duties of the Royal Indian Marine and for use as training ships for Indians be retained;
- (5) the "Dalhousie," "Minto," "Nearchus," one patrol boat and four trawlers be dispensed with immediately and the number of military launches and Bombay yard craft be reduced;
- (6) the cost of maintaining the "Lawrence" be transferred to the Political estimates;
- (7) the recoveries from Port Trusts, etc., for Marine Survey work include a charge for interest on capital, depreciation and pension allowances;
- (8) the budget estimate for 1923-24 be limited to Rs. 62 lakhs, a reduction of Rs. 75 lakhs, including Rs. 4,62,000 transferred to the Political Estimates, the actual saving thus being Rs. 70,28,000.

### MILITARY WORKS.

The estimate for 1922-23 compares with the actual expenditure in 1913-14 and the revised estimate for 1921-22 as follows:—

	NET Expenditure.
	Rs.
1913-14, Actual Expenditure	.. 1,33,06,000
1921-22, Revised Estimate	.. 5,14,07,000
1922-23, Budget Estimate	.. 4,54,97,000

## 2. This expenditure may be subdivided as follows :—

Head of Expenditure.	1913-14.	1921-22.	1922-23.
	Rs.	Rs.	Rs.
NEW BUILDINGS AND WORKS.	54,40,000	2,61,45,000	2,08,80,000
REPAIRS ..	46,22,000	93,83,000	93,47,000
MISCELLANEOUS ..	9,01,000	77,22,000	82,03,000
ESTABLISHMENT ..	31,60,000	86,44,000	80,05,000
TOOLS AND PLANT ..	1,31,000	3,91,000	3,50,000
SPECIAL DEFENCES ..	2,45,000	..	..
<b>TOTAL EXPENDITURE..</b>	<b>1,44,55,000</b>	<b>5,22,85,000</b>	<b>4,67,85,000</b>
ADD for exchange* at Rs. 15=£1.	..	6,52,000	2,42,000
DEDUCT—Recoveries ..	11,49,000	15,30,000	15,30,000
<b>NET EXPENDITURE ..</b>	<b>1,33,06,000</b>	<b>5,14,07,000</b>	<b>4,54,97,000</b>

We deal with the expenditure under the above headings serially :—

## NEW BUILDINGS AND WORKS.

	Rs.
1913-14 Actual Expenditure ..	54,40,000
1921-22, Revised Estimate ..	2,61,45,000
1922-23, Budget Estimate ..	2,08,80,000

The grant of Rs. 2,08,80,000 for 1922-23 was distributed as follows :—

	Rs.
New works .. ..	41,58,000
Works in progress .. ..	83,52,000
Special grant for Waziristan .. ..	40,00,000
Reserve for unforeseen requirements .. ..	22,70,000
Buildings and works costing up to Rs. 10,000 to be allotted by General Officers Commanding, Commands	21,00,000
<b>TOTAL</b>	<b>2,08,80,000</b>

\* Expenditure in England included in the above statement has been taken at Rs. 10=£1. We have not been able to obtain information showing how this expenditure is distributed over the various headings and it has therefore been necessary to make a lump addition representing the difference between the rupee equivalent of the sterling expenditure at Rs. 10=£1 and at Rs. 15=£1.

3. *New works and works in progress.*—We have been supplied with the following list of Major Works said to be needed to complete the constructional programme of the Army :—

Description of works.			Estimated cost of proposals.	Sanctioned by the Government of India.
			Rs. (in Thousands)	
New Cantonments	...	...	2,12,00	32,00
Officers' quarters	...	...	1,12,00	...
Accommodation for British troops	...	...	2,99,00	2,99,00
Accommodation for Indian troops	...	...	4,50,00	4,50,00
Offices for Northern and Western Commands	...	...	76,00	...
Offices and quarters for clerks	...	...	62,00	...
Hospitals for British troops	...	...	1,45,00	...
Hospitals for Indian troops	...	...	1,79,00	...
Royal Air Force	...	...	61,00	61,00
Ordnance factories and depots	...	...	3,16,00	...
Training and educational	...	...	1,70,00	...
Water supplies	...	...	1,60,00	...
Drainage and sanitation	...	...	48,00	...
Electrical installations	...	...	1,51,00	...
Roads in cantonments	...	...	17,00	...
Frontier roads	...	...	3,84,00	...
Railways	...	...	75,00	...
Various auxiliary and other services and miscellaneous	...	...	3,83,00	88,00
TOTAL			33,00,00,000	9,30,00,000

We are informed that the above list is based upon information collected about a year ago, that many of the projects included in it have not yet been carefully investigated, and that there is no doubt that in certain cases reductions could be made. We have not examined the individual items in detail as we are strongly of the opinion that, in the present financial situation, the execution of a programme of this magnitude is wholly out of the question. Moreover conditions are changing and we think that it serves no useful purpose to lay down in advance a programme which there can be no expectation of carrying out in any reasonable period.

We understand that when the full amount of the allotment authorised for a particular work is not required for the purpose, it

is the practice to obtain sanction from the Finance Department for the reappropriation of the funds for other works for which no provision had been made in the budget. Provided the Government has sanctioned a large programme of works and financial conditions admit of this programme being carried out, this may be a suitable arrangement. We are of opinion, however, that the reappropriation of funds should be limited to works included in the sanctioned programme and that the Finance Department should consider carefully in each case before sanctioning reappropriation whether the surrender of savings is justified by the financial situation.

4. The largest item in the programme is that of Rs. 4½ crores for accommodation for Indian troops and followers, including Rs. 4 crores for the reconstruction and improvement of lines for Indian troops. Formerly Indian troops constructed and maintained their own lines, regiments receiving an annual hutting grant for the purpose. All these lines fell into a state of disrepair during the war, and it was decided that they should be taken over by Government and reconstructed. This process of reconstruction is proceeding, but there still remains a large number of lines requiring construction, many of which are in a very unsatisfactory condition. We are informed that the figure of Rs. 4 crores mentioned above does not cover the complete cost of this measure, and have been supplied with the following figures showing the programme to which it is desired to work :—

	Rs.	Rs.
Expenditure to end of 1922-23	...	1,71,00,000
Balance required to complete lines in hand	72,00,000	
Expenditure necessary on lines		
requiring urgent reconstruction	2,53,00,000	
,, reconstruction within 5 years	1,59,00,000	
,,                      10 years	1,40,00,000	
		6,24,00,000
Improvements and supplementary items such as schools, offices, etc, excluded from preceding estimates	... ... ...	1,70,00,000
TOTAL	...	9,65,00,000

We are of opinion that, in view of the enormous outlay involved, the whole arrangements for accommodating both British and Indian troops should be reviewed, and that it should be considered whether it will be possible in some cases to accommodate the troops in existing barracks, some of which will fall vacant if our recommendation regarding a reduction of troops is accepted, and in other cases



whether the old system should not be reverted to, until the future distribution of the army and strength of units have been definitely decided.

5. We have examined in detail the constructional programme for 1922-23 and have ascertained that, if no further new works are commenced and if works in progress are stopped or postponed wherever this can not be done without sacrificing the value of the works already completed or without involving payment of compensation to contractors or loss of stores, the total expenditure on works in 1923-24 could be limited to approximately Rs. 40 lakhs. We recommend that the whole programme of Military Works requirements be examined and curtailed on the basis that the total provision for new works and works in progress, apart from the requirements of the Royal Air Force and any special measures rendered necessary by the military situation, should be reduced by Rs. 20,00,000.

6. *Reserve for unforeseen requirements, Rs. 22,70,000.*—This reserve is mainly distributed to Commands, to provide funds for completing small major works in progress from the preceding year, and for financing small new major works the need for which cannot be foreseen, Commands being given a free hand in the utilisation of these funds. We consider that, in present financial conditions, no major works should be embarked on without examination at headquarters, and we recommend that the annual provision should be reduced to Rs. 16,00,000, a saving of Rs. 6,70,000.

7. *Reserve for buildings and works costing up to Rs. 10,000—Rs. 21,00,000.*—This reserve is similarly distributed for the most part to Commands, and we recommend that the amount of this grant should be limited to Rs. 16,00,000, a saving of Rs. 5 lakhs.

#### REPAIRS.

		Rs. (in thousands)
1913-14, Actual Expenditure	...	46,22
1921-22, Revised Estimate	...	93,83
1922-23, Budget Estimate	...	93,47

8. Owing to a change in classification the figures for the three years cited are not strictly comparable. The provision of Rs. 93,47,000 in 1922-23 was distributed as follows :—

		Rs. (in thousands)
Buildings	...	64,47
Roads in cantonments	...	11,00
Roads outside cantonments (mainly frontier roads)	...	18,00
<b>TOTAL</b>		<b>93,47</b>

9. *Repairs to Buildings.*—It is doubtful whether any large saving is possible in respect of the expenditure on the repairs of existing buildings, but if the recommendations which we have made elsewhere are adopted there should be a material reduction in the accommodation required for troops and stores. It has also been brought to our notice that many vacant buildings are maintained. We recommend that the possibility be explored of effecting economies in new construction by the utilisation of such buildings for military purposes and that steps should be taken to dispose of all buildings which cannot be so utilised. Some reduction under this head should also be possible as a result of the fall in prices of materials and we recommend that the provision should be limited to Rs. 55,00,000 saving Rs. 9,47,000.

10. *Repairs to roads.*—We are informed that the question of retransferring certain frontier roads to the civil authorities is under discussion, and we are of the opinion that the decision under this head should be expedited. If our recommendation with regard to the construction of a light railway from Hindubagh to Fort Sandeman be adopted, there should be a considerable saving in the expenditure on the Harnai-Loralai road. We therefore consider that the total provision for roads should be reduced to Rs 27 lakhs, saving Rs. 2 lakhs.

#### MISCELLANEOUS.

	Rs.
1913-14, Actual Expenditure .. ..	9,01,000
1921-22, Revised Estimate .. ..	77,22,000
1922-23, Budget Estimate .. ..	82,03,000
11. The items included under this head are the following :—	
	Rs.
Maintenance and working expenses of water-supply .. ..	24,66,000
Maintenance and working expenses for electrical installations .. ..	18,49,000
Maintenance and working expenses for ice plants .. ..	2,60,000
Furniture purchased and repairs .. ..	13,81,000
Reserve for miscellaneous obligatory charges .. ..	5,34,000
Care of vacant buildings .. ..	1,97,000
Rents .. ..	3,21,000
Taxes .. ..	2,90,000
Compensation for quarters .. ..	2,01,000
Payments for railway siding, etc, .. ..	2,72,000
Miscellaneous .. ..	4,32,000
<b>TOTAL</b>	<b>82,03,000</b>

The water-supply and electrical installations and ice plants are of value in maintaining the health of the troops. Particulars of the capital cost of these installations and of their working results in 1921-22 are set out below :—

	Capital cost.	Total annual cost including overhead charges.
	Rs.	Rs.
Water-supply	48,48,000	12,44,804
Electrical installations	86,97,000	10,97,526
Ice plants ..	8,59,000	2,26,000

We are informed that the total expenditure proposed for 1923-24 on the items included under the head 'Miscellaneous' is Rs 73,78,000, a saving of Rs. 8,25,000.

## ESTABLISHMENTS.

	Rs.
1913-14, Actual Expenditure ..	31,16,000
1921-22, Revised Estimate ..	86,14,000
1922-23, Budget Estimate ..	80,05,000

12. The establishment maintained in 1913-14 and 1922-23 is analysed in the following table :—

	1913-14		1922-23	
	No. of officers on Establishment.	Cost of Establishment.	No. of officers on Establishment.	Cost of Establishment.
		Rs.		Rs.
Director, Military Works.. ..	7	2,43,715	9	4,72,900
Four Chief Engineers, Commands ..	....	....	22	7,96,908
Commanding Royal Engineers, Districts (9 in 1913-14, 8 in 1922-23) ..	11	3,55,898	20	6,51,106
Executive Establishments .. ..	127	25,16,387	177	60,84,086
TOTAL ..	145	31,16,000	218*	80,05,009

Including certain civilian Engineers.

The large increase in the number of officers employed and in the cost of establishments appears to be due to two main causes, firstly, the employment of additional officers in order to form a war reserve, and secondly, the introduction of the four-command system. Under the present system 8 Commanding Royal Engineers and their establishments now cost Rs 6,51,106 compared with Rs. 3,55,898 for 9 Commanding Royal Engineers in 1913-14. Nevertheless, the superior establishments have increased even more markedly in number and cost from 7 officers costing with their establishments Rs. 2,43,715 to 31 officers costing with their establishments Rs. 12,79,808 at the present time. We cannot find that any substantial measures of decentralization have accompanied this increase. Simultaneously, the proportion borne by the cost of the direction as a whole to the cost of the executive has increased from about 24 per cent. in 1913-14 to 31 per cent. in 1922-23. The total cost of establishment amounts to about 21 per cent. on the expenditure on works. We see no justification for the present number of officers employed and consider that the staff should be progressively reduced approximately to the pre-war cadre, the grant for establishment in 1923-24 being fixed at Rs. 75,05,000 a saving of Rs. 5 lakhs and that further savings should be effected thereafter. The Commander-in-Chief is prepared to agree to the establishment being reduced by Rs. 5 lakhs in 1923-24 and by a further Rs. 5 lakhs in 1924-25 provided the improvement in payment of Royal Engineer Officers recommended by the Government of India is agreed to. He states that, unless this is done, it will not be possible to get efficient officers and thereby to reduce establishment.

13. We consider that further economies in establishment and the cost of works could be effected by an extension of the system of giving out new works or extensive repairs on lump sum contracts. We are informed that it is the practice to call for tenders and to give out work on contract, wherever possible, but that lump sum contracts for complete works cannot be made where imported materials has to be used, as it is laid down by rule that such material must be obtained, with certain exceptions, through the High Commissioner for India. If this is correct, we recommend that such amendments be made in the rules as may be necessary to give effect to this proposal.

14. We have been informed that, owing to the fact that the funds allotted in a particular year lapse at the end of the year if unspent, there is always a rush of expenditure at the end of the year in order to avoid lapses, and that wasteful expenditure frequently occurs in consequence. We think that some system to obviate this waste should be immediately introduced.

## TOOLS AND PLANT.

			Rs.
1913-14, Actual Expenditure	..	..	1,31,000
1921-22, Revised Estimate	..	..	3,91,000
1922-23, Budget Estimate	..	..	3,50,000

15. This expenditure is fixed on a percentage basis and will automatically be reduced as a result of the fall in prices and the proposed restriction in the total expenditure. We recommend that the provision under this head should be limited to Rs. 3,00,000 saving Rs. 50,000.

## RECOVERIES.

			Rs.
1913-14 Actuals	..	..	11,49,000
1921-22, Revised Estimate	..	..	15,30,000
1922-23, Budget Estimate	..	..	15,30,000

16. The recoveries expected in 1922-23 may be analysed as follows.

			Rs.
Rent of Buildings	..	..	9,52,700
Recoveries on account of water-supply	..	..	2,02,850
Recoveries on account of electric current	..	..	1,25,950
Miscellaneous items	..	..	2,48,500
TOTAL			15,30,000

We understand that the rate of interest on capital, adopted in estimating rentals for Military Works quarters, varies according to the date of construction and that this practice has led to numerous anomalies. We recommend that rent should be charged in the case of all new occupants with reference to the present rate of interest, irrespective of the date of construction, but subject to the usual maximum of 10 per cent of pay, thereby securing some additional revenue.

## STORES.

17 The following statement summarises the information

	MOBILISATION STORES		ORDINARY STORES.	
	1921-22. Actuals.	1921-22. Actuals.	1922-23. Estimate,	
	Rs.	Rs.	Rs.	
Stock at beginning of year ..	94,30,000	38,63,000	35,41,000	
Purchases .. ..	11,76,000	57,08,000	43,26,000	
<b>TOTAL ..</b>	<b>1,06,06,000</b>	<b>95,71,000</b>	<b>78,67,000</b>	
Issues.. ..	15,18,000	58,30,000	46,60,000	
Stock sold or otherwise disposed of ..	3,19,000	2,00,000	99,000	
Stock on hand at end of year ,	87,69,000	35,41,000	31,08,000	
<b>TOTAL ..</b>	<b>1,06,06,000</b>	<b>95,71,000</b>	<b>78,67,000</b>	

The above figures do not include stores purchased and charged direct to works. In the light of the information supplied to us, we consider that a reduction of Rs. 10 lakhs should be effected in the total purchases of stores in 1923-24 compared with the expenditure in 1922-23.

### CONCLUSIONS

Having reviewed the expenditure of the Military Works Department we recommend that :—

- (1) the constructional programme of the Army already sanctioned by the Government of India be reviewed;
- (2) re-appropriation of funds be prohibited except for works included in the sanctioned programme when the re-appropriation should be subject to the surrender of savings being justified by the financial situation; and
- (3) the budget estimate for 1923-24 be limited to Rs. 3,78,05,000 (net), a reduction of Rs. 76,92,000 including Rs. 10,00,000 transferred to the Royal Air Force, or a net saving of Rs. 66,92,000.

## REPORT OF THE MILITARY SERVICES.

[DELHI]

### GENERAL CONCLUSIONS TO PART I.

We cannot conclude our report on the Military services without saying that His Excellency the Commander-in-Chief and the Army Department have displayed a whole-hearted disposition to reduce military expenditure, always bearing in mind the importance of maintaining the efficiency and mobility of the forces for protection against outside aggression and internal disorder, and we desire to extend to them our grateful thanks for the assistance they have rendered.

2. As we stated in our introductory remarks, although the budget estimate for the Military services in 1922-23 was Rs. 67,75,26,000 the full expenditure required during that year would, but for certain fortuitous circumstances, have amounted to Rs. 71,37,82,000. The gross reductions which we have indicated amount to Rs. 13,95,52,000 but additional provisions of Rs. 23 00,000 for practice ammunition, and Rs. 9,75,000 for gratuities to demobilised officers are required for 1923-24. If our recommendations are accepted, and, if they could all be brought into effect at once, the military budget for 1923-24 could be reduced to Rs. 57,75,05,000 but we recognise that it will take some time for the whole of these savings to materialise. The more quickly the reductions of troops are brought about the nearer will the actual expenditure approach this figure. The Finance Department in framing their estimates will require to make an allowance for terminal charges and for the expenditure which must necessarily be incurred during the period required to give full effect to the changes which we recommend. We are not in possession of the data necessary for framing such an estimate..

3. The reduction which we have indicated of Rs. 13,95,52,000 includes approximately 2½ crores for reductions in stocks which do not of course represent a recurring saving. These reductions however should ultimately lead to a substantial recurring economy by curtailing the establishments engaged on the maintenance of stores, by minimising loss from deterioration, by reducing expenditure on hire of ground and hire or construction of buildings, to say nothing of the loss to India which is involved by the enormous amount of capital at present locked up in stocks. Further we are informed that in the near future there will be large automatic savings by the liquidation of various liabilities arising out of the war; for example, gratuities to demobilized officers, India's share of which in 1923-24 is estimated at £415,000. We, therefore, believe that the adoption of our recommendations will enable the estimates in subsequent

years to be reduced to about Rs. 57 crores irrespective of any savings due to further economies or falling prices.

4. The above suggested reductions have been agreed to generally by the Commander-in-Chief, but in a great administration such as the Army in India, of which he is the responsible head, we recognise that, in working them out and in giving practical effect to them, he may find it desirable to make some minor modifications. There may result greater expenditure under one head and reduced expenditure under another, but, so long as the increase involved is more than counterbalanced by the reduction, we consider that the actual working out of details should be left in his hands.

5. We do not, however, consider that the Government of India should be satisfied with a military budget of Rs. 57 crores, and we recommend that a close watch be kept on the details of military expenditure with the object of bringing about a progressive reduction in the future. Should a further fall in prices take place we consider that it may be possible, after a few years, to reduce the military budget to a sum not exceeding Rs. 50 crores, although the Commander-in-Chief does not subscribe to this opinion. Even this is more, in our opinion, than the tax-payer in India should be called upon to pay, and, though revenue may increase through a revival of trade, there would, we think, still be no justification for not keeping a strict eye on military expenditure with a view to its further reduction.

### CONCLUSIONS.

Having reviewed the expenditure of the Military Services, we recommend that—

- (1) the total net budget for 1923-24 be fixed at Rs. 57,75,00,000 subject to such addition as may be necessary on account of the delay which must ensue in carrying out the proposed changes; and
- (2) Military Expenditure after a few years be brought down to a sum not exceeding Rs. 50 crores.



## PART II.

### RAILWAY EXPENDITURE

The estimate for 1922-23 compares with the revised estimate for 1921-22 and the actual receipts and expenditure in 1913-14 are as follows :—

	Gross receipts. Rs.	Gross expenditure. Rs.	Net receipts. Rs.
1913-14, Actuals ...	56,44,65,000	49,26,19,000	7,18,46,000
1921-22, Revised Estimate	82,06,70,000	91,32,12,000	—9,25,42,000
1922-23, Budget Estimate	99,76,68,000	94,72,09,000	5,04,59,000

#### CAPITAL EXPENDITURE.

2. *Capital Expended.*—The total capital expended on State-owned railways in India up to the 31st March 1922, including the liability incurred on the purchase of lines, amounted to Rs. 6,45,07,00,000, an increase of Rs. 98,84,00,000 since the 31st March 1914. We have been supplied with the following analysis of the expenditure :—

	STATE-OWNED RAILWAYS.		COMPANY WORKED LINES.		TOTAL.	
	1913-14	1921-22	1913-14	1921-22	1913-14	1921-22
	Rs. crores.	Rs. crores.	Rs. crores.	Rs. crores.	Rs. crores.	Rs. crores.
Construction of lines and works ..	72.88	87.31	130.68	154.60	203.56	241.91
Acquisition of land ..	2.80	3.41	6.11	7.65	8.71	11.06
Rolling Stock ..	24.13	35.23	46.72	75.95	70.85	111.18
Ferries ..	.60	.53	1.96	1.87	.56	2.40
General charges ..	4.42	4.98	9.84	10.63	14.26	15.61
Stores not charged off in accounts ..	6.58	10.76	11.47	23.82	18.05	34.58
Other items ..	1.99	2.13	2.12	2.07	4.11	4.20
Liability for purchase of main lines ..	43.90	43.90	180.23	180.23	224.13	224.13
TOTAL ..	157.11	188.26	389.12	456.81	546.23	645.07
Less capital redeemed ..	4.42	7.53	17.93	31.54	22.35	39.07
Total capital at charge ..	152.69	180.73	371.19	425.27	523.88	606.00

The total capital expended is exclusive of the cost of land given free to the railways as no particulars are available of this expenditure. The total capital at charge has increased from Rs. 5,23,88,00,000 on the 31st March 1914 to Rs. 6,06,00,00,000 on the 31st March 1922 an increase of Rs. 82,00,00,000.

3. *Programme of future capital expenditure*—The Legislative Assembly has authorised the expenditure of a further Rs. 150 crores on the rehabilitation of the railways during the 5 years ending 1926-27. We are informed that this sum has been allocated approximately as follows :—

—	1922-23 (Budget),	1923-24.	Future years.
	Rs. crores.	Rs. crores.	Rs. crores.
Improvements to existing lines and works ...	14'59	14'84	42'54
Additional lines and works ...	2'05	2'81	...
Additional Rolling Stock ...	12'40	12'35	40'00
Reserve, etc, ...	'96	...	7'46
TOTAL ...	30 00	30'00	90'00

We understand that, although Rs. 30 crores were provided for 1922-23, the actual expenditure is not likely to exceed Rs. 22 crores owing to the delay in obtaining material, etc. We deal later with the proposed capital programme.

## FINANCIAL RESULTS.

4. *Financial results in 1922—23.*—We have been furnished by the Accountant-General, Railways, with the following analysis of the gross receipts and expenditure :—

	1913-14 Actuals.	1921-22 Revised estimate.	1922-23 Budget estimate.	1922-23 Revised estimate.
	Rs.	Rs.	Rs.	Rs.
Gross Traffic Receipts ...	56,30,68,000	81,82,29,000	99,57,26,000	92,07,26,000
Subsidised Companies— Government share of surplus profits, etc.	13,97,000	24,41,000	19,42,000	25,97,000
<b>TOTAL RECEIPTS ...</b>	<b>56,44,65,000</b>	<b>82,06,70,000</b>	<b>99,76,68,000</b>	<b>92,33,23,000</b>
Working expenses ...	29,35,02,000	65,82,53,000	67,99,00,000	66,83,85,000
Surplus profits paid to Companies ...	66,13,000	1,04,09,000	60,00,000	68,07,040
Interest on debt ...	10,25,47,000	15,33,47,000	16,77,95,000	17,03,62,000
Annuities in purchase of Railways ...	5,06,94,000	5,03,56,000	5,03,63,000	5,03,63,000
Sinking Fund ...	28,76,000	43,11,000	45,81,000	46,11,000
Interest on Capital contributed by Com- panies ...	2,92,86,000	3,28,76,000	*3,36,10,000	3,32,04,000
Subsidised Companies ...	7,89,000	7,41,000	19,88,000	10,80,000
Miscellaneous Railway Expenditure ...	—6,88,000	29,19,000	29,77,000	84,50,000
<b>TOTAL EXPENDITURE</b>	<b>49,26,19,000</b>	<b>91,32,12,000</b>	<b>94,72,09,000</b>	<b>93,82,62,000</b>
<b>Net Receipts ...</b>	<b>7,18,46,000</b>	<b>—9,25,42,000</b>	<b>5,04,59,000</b>	<b>—1,49,39,000</b>

We are informed that the estimated receipts for 1922-23 are not now likely to be realised. When the estimate was framed it was anticipated that there would be a substantial increase in traffic which in 1921-22 had been adversely affected by prolonged strikes on the Assam Bengal and East Indian Railways. An additional revenue of Rs. 540,00,000 was expected from increased freight charges imposed to yield the same revenue as had previously been obtained from the surcharge abolished on the 1st April 1922 and a further revenue of at least Rs. 6,00,00,000 from an enhancement in passenger fares. The total estimated increase in gross receipts for

\* Increase due to higher rate of interest on renewed debentures.

1922-23 compared with 1921-22 was Rs. 17,75,00,000. Traffic however, has not developed to the extent anticipated and, although there has been some improvement in the receipts from coaching traffic, the receipts from goods traffic have declined with the result that the latest estimate of gross receipts for 1922-23 is only Rs. 92 crores, a decrease of Rs. 7½ crores compared with the budget estimate. Working expenses for the current year are now estimated at Rs. 66,83,85,000, a decrease of Rs. 1,15,15,000 compared with the budget estimate, and it is probable that, instead of the Central Government receiving a surplus of Rs. 5,04,59,000 in the current year, there will be a deficit of Rs. 1,49,39,000.

5. *Return to State on capital outlay.*—We are of opinion that the country cannot afford to subsidise the railways and that steps should be taken to curtail working expenses as necessary in order to ensure that not only will the railways as a whole be on a self-supporting basis, but that an adequate return should be obtained for the large capital expenditure which has been incurred by the State. We consider that, with economic working, it should be possible for the railways in India to earn sufficient net receipts to yield an average return of at least 5½ per cent on the total capital at charge. The average return to the State during the 3 years prior to the war was 5 per cent, and, in view of the fact that large amounts of additional capital are being raised at 6 per cent or over, we think a return of 5½ per cent cannot be regarded as excessive.

A return of 5½ per cent on the total capital at charge in 1922-23, after allowing for all interest annuity and sinking fund payments, would yield roughly Rs. 8½ crores to the Central revenues. We are informed that, in deciding upon the amount of the Central Government's deficit which would have to be made good initially by contributions from the provinces, Lord Meston's Committee assumed that the Central Government would derive a net annual revenue of no less than Rs. 10½ crores from the Railways. It is evident, therefore, that the failure of the railways to yield an economic return on the capital invested by the State is one of the main factors responsible for the present financial difficulties of the Central Government. A return of 5½ per cent would not merely go far towards bringing the deficit of the Central Government, but should, with the economies which we recommend in the case of other Departments, make it possible to give much-needed relief to the Provinces by a substantial reduction in the amount of their contributions.

6. *Provision for arrears of maintenance and renewal.*—We recognise, however, that during the period of the war adequate provision was not made for the maintenance and renewals of permanent way

and rolling stock, and that, had such provision been made, it would probably have been necessary to increase rates and fares at an earlier date to meet the enhanced costs of labour and materials. In Great Britain a similar state of affairs existed during the period the railways were under control of Government. The tax-payer received the benefit of the excess receipts earned by the railways due to the postponement of repairs and renewals consequent upon the war but eventually the railways were given a lump sum grant to enable them to overtake all arrears. In India also the tax-payer received the benefit of the increased earnings consequent upon the postponement of repairs and renewals, but as pointed out by the Acworth Committee, no provision has been made to enable these arrears to be overtaken. The provision of Rs. 150 crores to be spent in 5 years on the rehabilitation of the railways does not assist matters. This money can be utilised only for new works or to pay the cost of improvements carried out in connection with renewals. It cannot be expended on repairs or for overtaking arrears of renewals, the cost of which is borne entirely by the working expenses.

We are informed that the expenditure necessary to overtake arrears of maintenance and renewals on all railways is estimated at Rs. 18 crores, which is equivalent to roughly two years' provision for renewals. In view of the present financial circumstances and the large capital expenditure which is now being incurred on improving the railways we consider that the overtaking of these arrears might well be postponed on railways not able to earn sufficient receipts to pay interest and sinking fund charges. It has been represented to us that the postponement of expenditure on overtaking arrears will necessitate some reduction in capital expenditure. We revert to this matter in dealing with the capital programme, but, in our opinion, all that is involved is a re-allocation of capital expenditure. The real question to be decided is whether, when capital is so urgently required by some railways for remunerative purposes, the country can afford to borrow large sums of money at the present high rates for expenditure on railways which are not only unable to earn 5 per cent on their present capital but which have to be subsidised by the general tax payer. We consider that further expenditure on such railway can only be justified if it can be satisfactorily demonstrated that this expenditure will increase the net earnings of the railway sufficiently to cover the additional interest involved.

In this connection we quote, from the Administration Report on Indian Railways in 1922-23, the following remarks relating to expenditure on new construction :—

"It may be argued that Government must take account of the indirect benefits apart from the direct return in the shape of surplus

earnings. Doubtless this is true ; but Government resources available for direct construction are at present very limited. Money is expensive and only in exceptional cases is it justifiable to raise money at 6 per cent or to give corresponding guarantees to private enterprise for the construction of lines which do not offer some reasonable prospect of a corresponding return."

We are in entire agreement with the principle above stated which are, in our opinion, equally applicable to expenditure on open line works, although they do not appear to have been applied in actual practice.

7. The Acworth Committee observed that the money unspent on maintenance and renewals during the war should have been carried to a reserve to be spent when materials were again available. We entirely agree with this view and are of opinion that it should be laid down that each railway should make adequate provision every year for the maintenance and renewal of its permanent way and rolling stock. The funds so ear-marked should be debited to working expenses and carried to a suspense account which could be drawn on as necessary to meet current requirements, any unspent balance being carried forward from year to year. Unless some such arrangements are adopted and strictly adhered to, it will not, in our opinion, be possible to say whether the railways are earning an adequate return on the capital outlay and there will be no effective check on ordinary working expenditure.

It is necessary, however, to make special provision to overtake the present arrears, as no funds are available in suspense accounts. It is, in our opinion, not practicable to make any general increase in rates and fares without adversely affecting the trade of the country. We consider that the best course will be that each railway should credit a suspense account with a portion of any surplus funds available, after payment of interest and sinking fund charges, for the specific purpose of overtaking arrears of renewals. This provision should, we think, not exceed the average annual amounts which would be necessary to overtake the arrears in five years. The overtaking of arrears on unremunerative railways must necessarily wait until the financial position improves.

8. *Results for individual railways.*—The following statement, compiled at our request by the Accountant-General, Railways, shows for the ten principal railways, with totals for all State railways the financial results of working in 1913-14 and 1921-22, the latest estimate for 1922-23 and the preliminary estimate for 1923-24,

Railways.	Year	Capital at charge	Receipts	Working expenses including surplus profits	Net-receipts	Percentage of net receipts on Capital	Interest and Sinking Fund charges	Surplus or Loss
		In 1000 Rs.	In 1000 Rs.	In 1000 Rs.	In 1000 Rs.		In 1000 Rs.	In 1000 Rs.
WORKED BY STATE	1913-14	59,34,67	8,69,96	4,95,70	3,74,26	4.2	3,24,04	50,22
	1921-22	1,06,48,01	12,99,15	12,79,53	19,62	0.1	4,25,02	Loss 4,05,40
	1922-23	1,09,23,21	14,11,62	12,21,20	1,90,42	1.7	4,44,40	Loss 2,53,98
	1923-24	1,13,01,57	14,80,00	12,10,45	2,63,55	2.4	4,66,50	Loss 1,96,95
Oudh and Rohilkhand.	1913-14	27,19,56	2,45,75	1,20,15	1,25,60	4.6	89,78	35,82
	1921-22	29,73,29	3,31,34	2,58,18	73,16	2.4	99,73	Loss 26,57
	1922-23	30,54,24	3,54,62	2,75,40	79,22	2.5	1,03,94	Loss 24,72
	1923-24	31,76,74	3,60,00	2,60,06	99,94	3.1	1,10,19	Loss 10,25
Eastern Bengal	1913-14	35,20,15	3,73,92	2,05,40	1,68,52	4.8	1,22,01	16,48
	1921-22	42,20,33	4,42,97	3,76,50	66,47	1.6	1,54,93	Loss 88,46
	1922-23	43,03,22	5,32,27	4,32,75	99,52	2.3	1,61,47	Loss 61,95
	1923-24	44,26,20	5,40,00	4,30,55	1,09,45	2.5	1,68,17	Loss 58,72



Railways.	Year.	Capital at charge.	Receipts	Working expenses including surplus profits.	Net receipts.	Per- centage of net receipts on Capital.	Interest and Sinking Fund charges.	Surplus or Loss.
		In 1000 Rs.	In 1090 Rs.	In 1000 Rs.	In 1000 Rs.	In 1000 Rs.	In 1000 Rs.	In 1000 Rs.
WORKED BY COM- PANIES. Bengal Nagpur	1913-14	38,74.52	4,10.31	2,01.40	2,08.91	5.4	1,31.66	77.25
	1921-22	53,38.35	6,67.91	5,39.75	1,28.16	2.4	2,27.54	Loss 99.38
	1922-23	57,46.55	7,72.49	4,40.95	3,31.54	5.7	2,53.60	77.94
	1923-24	61,99.92	8,17.42	5,03.80	3,13.62	5.1	2,74.81	38.81
Great Indian Peninsula.	1913-14	89,12.64	8,87.02	5,38.41	3,48.61	3.9	3,47.73	88
	1921-22	98,86.23	13,27.13	12,40.32	80.81	0.9	4,23.10	Loss 3,36.29
	1922-23	1,00,45.06	14,82.56	11,38.09	3,44.47	3.4	4,33.17	Loss 89.40
	1923-24	1,04,19.66	14,84.44	10,91.22	3,93.22	3.7	4,55.50	Loss 62.28
East Indian	1913-14	80,85.79	10,17.11	4,31.97	5,85.14	7.2	3,47.10	2,38.04
	1921-22	92,54.23	13,38.38	8,65.60	4,73.28	5.1	4,36.54	36.74
	1922-23	94,64.71	14,91.88	9,92.11	4,99.77	5.2	4,54.30	45.17
	1923-24	93,55.82	16,95.00	10,29.70	6,65.30	6.7	4,77.54	1,87.76
Bombay, Baroda and Central India	1913-14	51,14.80	6,58.93	3,33.05	3,25.88	6.3	1,64.68	1,61.20
	1921-22	53,85.17	10,25.32	8,14.34	2,10.93	3.6	1,99.51	11.47
	1922-23	62,30.17	11,76.75	8,75.46	3,01.29	4.8	2,14.79	86.50
	1923-24	65,54.93	11,80.00	8,35.38	3,44.62	5.3	2,35.21	1,09.41
Madras & South- ern Mahratta	1913-14	45,17.28	4,20.71	2,14.45	1,66.56	3.7	1,82.44	Loss 15.88
	1921-22	48,14.15	6,56.94	5,04.26	1,52.68	3.2	2,13.71	Loss 61.03
	1922-23	49,47.85	7,24.80	5,07.54	2,17.56	4.4	2,20.67	Loss 34.1
	1923-24	51,26.33	7,25.19	5,74.40	1,50.79	2.9	2,30.68	Loss 79.84

South Indian	1913-14	19,93.00	2,89.70	1,69.15	1,20.55	6.0	64.47	56.08
	1921-22	23,17.74	4,51.63	3,44.18	1,17.45	5.1	87.09	29.76
	1922-23	25,17.96	5,12.75	3,71.84	1,40.91	5.6	97.75	43.66
	1923-24	26,87.96	5,50.10	3,79.06	1,77.04	6.6	1,07.48	69.56
Burma	1913-14	21,91.64	2,15.78	1,43.10	1,02.68	4.7	64.42	38.26
	1921-22	22,64.67	3,51.73	2,67.79	83.94	3.7	71.40	12.54
	1922-22	23,53.15	4,13.95	2,69.96	1,43.99	6.1	75.37	68.62
	1923-24	24,27.66	4,29.20	2,83.28	1,15.92	6.0	80.34	65.58
Other Railways	1913-14	25,74.42	2,11.49	1,08.66	1,02.83	4.0	85.31	17.52
	1921-22	29,96.99	2,68.27	1,84.73	83.54	2.8	1,10.68	27.14
	1922-23	31,39.72	3,26.31	2,11.19	1,15.12	3.4	1,25.4	10.12
	1923-24	33,17.65	3,32.65	2,87.21	45.44	1.4	1,33.79	88.33
Unallocated Receipts and Expenditure	1922-23	..	7.26	15.43	-8.17	..	..	Loss 8.17
	1923-24	6,41.15	-42.76	-1,34.84	92.08	14.4	19.55	Loss 72.53
Total*	1913-14	5,23,88.47	56,30.68	30,01.14	26,29.54	5.0	19,23.67	7,05.87
	1921-22	6,05,99.15	81,69.27	66,73.18	14,96.09	2.4	24,49.85	Loss 9,53.76
	1922-23	6,27,26.74	92,07.26	67,51.92	24,55.34	3.9	25,85.40	Loss 1,30.06
	1923-24	6,61,36.64	95,57.24	67,50.27	28,06.97	4.2	27,59.71	47.25

\* These figures exclude subsidised companies and miscellaneous Railway expenditure.

This table shows that the only Railways whose financial results are better in 1922-23 than in 1913-14 are the Bengal Nagpur, the Madras and Southern Mahratta and the Burma Railways. The railways showing the worst results relatively to 1913-14 are the North Western, the Eastern Bengal and the Oudh and Rohilkhand.

9. A summary of the net profit or loss to central revenues from the individual Railways in 1913-14 and 1922-23 as follows :—

Railway.	PROFIT OR LOSS TO CENTRAL REVENUES.		Increase or decrease.
	1913-14.	1922-23.	
	Rs.	Rs.	Rs.
<b>WORKED BY STATE.</b>			
North Western ..	+ 50,22,000	—2,53 98,000	—3,04,20,000
Oudh and Rohilkhand .	+ 35,82,000	—24,72,000	—60,54,000
Eastern Bengal ..	+ 46,48,000	—61,95,000	—1,08,43,000
<b>WORKED BY COMPANIES</b>			
Bengal-Nagpur ..	+ 77,25,000	+ 77,94,000	+ 69,000
Great Indian Peninsula	+ 88,000	—89,40,000	—90,28,000
East Indian ..	+ 2,38,04,000	+ 45,47,000	—1,92,57,000
Bombay, Baroda and Central India ..	+ 1,61,20,000	+ 86,50,000	—74,70,000
Madras and Southern Mahratta ..	—15,88,000	—3,41,000	+ 12,47,000
South Indian ..	+ 56,08,000	+ 43,16,000	—12,92,000
Burma ..	+ 38,26,000	+ 68,62,000	+ 30,36,000
Other railways ..	+ 17,52,000	—10,12,000	—23,72,000
Unallocated items ..	..	—8,17,000	—8,17,000
<b>TOTAL ..</b>	<b>+ 7,05,87,000</b>	<b>—1,30,06,000</b>	<b>—8,35,93,000</b>

#### WORKING EXPENSES.

10. We now proceed to state what a detailed examination of the position has disclosed and to make our recommendations. We recognise that, in dealing with the working expenses of the railways, it is necessary to proceed on somewhat different lines to those adopted by us in the case of non-commercial departments, since the

expenditure required is largely dependent on the volume of traffic handled, and increased expenditure would consequently be justified if necessary to secure additional receipts. Our observations must, therefore, be qualified by the underlying principle that the relation of working expenses to revenue should be so adjusted as to provide for an adequate return on the capital invested.

The budget estimate for working expenses in 1922-23 compares as follows with the revised estimate for 1921-22 and the actual expenditure in 1913-14.

	Rs.
1913-14, Actual Expenditure ..	29,35,02,000
1921-22, Revised Estimate ..	65,82,53,000
1922-23, Budget Estimate ..	67,99,00,000

11. The working expenses of the railways have increased from Rs. 29,35,02,000 in 1913-14 to Rs. 67,99,00,000, required for 1922-23, an increase of 131 per cent. An analysis of the expenditure on the ten principal railways, with totals for State railways, in 1913-14 and estimated for 1922-23 is as follows :—

	1913-14 Actuals	1922-23 Budget estimate.	Percent- age increase.
	Rs.	Rs.	
Maintenance of Way, Works and Stations . ...	6,32,02,000	14,59,53,000	131
Locomotive expenses ...	10,23,68,000	23,07,63,000	125
Carriage and Wagon ex- penses ...	2,71,14,000	9,09,12,000	235
Traffic expenses ...	4,88,57,000	9,64,03,000	97
General charges ...	2,26,70,000	4,23,11,000	87
Steam Boat services ...	20,41,000	25,94,000	27
Special and Miscellaneous expenditure ...	1,79,04,000	4,22,02,000	136
Other items ...	—14,43,000	—4,80,000	...
Total 10 principal railways	28,58,13,000	65,06,58,000	130
Other railways ...	1,06,89,000	2,92,42,000	173
Total all railways. ...	29,35,02,000	67,99,00,000	131

We now deal seriatim with the expenditure under each of the above heads, details of which are given for the principal railways in Appendix A.

12. *Maintenances of Way, Works and Stations : Rs 14,59,53,000*—  
The total route mileage of the 10 principal railways has increased from 23,757 miles on the 31st March 1914 to 24,499 miles on the 31st March 1922. The track mileage has increased during the same period from 32,388 miles to 34,576 miles or by 6·7 per cent.

The following statement shows for the year 1913-14 and estimated for 1922-23 the cost of maintenance and renewal of permanent way per mile of track and the total cost of maintenance of way, works and stations per route mile for some of the principal railways separately and for the 10 principal railways as a whole :—

Railways	Cost of maintenance and renewal of permanent way per mile of single track open for traffic.			Total cost of maintenance of Way Works and Stations per route mile open for traffic.		
	1913-14,	1922-23	Per cent. increase	1913-14	1922-23	Per cent increase
	Rs.	Rs,		Rs,	Rs,	
North-Western ..	925	2,720	194	2,540	6,246	145
Oudh and Rohilkhand	825	3,302	300	1,793	4,803	168
Eastern Bengal ..	835	1,981	137	2,934	6,331	116
Bengal Nagpur ..	579	1,538	165	1,670	3,621	117
East Indian ..	1,043	2,815	169	3,505	8,670	147
Bombay, Baroda and Central India, Great India Peninsula	7072	1,938	80	2,411	4,684	94
	53	4,357	147	5,039	10,306	104
Average for 10 principal railways ..	1,035	2,628	154	2,664	5,957	124

We recognise that it is not possible to make any real comparison between the cost of maintenance on the various railway systems owing to the special circumstances of each line, but the figures call

for investigation and we are not satisfied that the present scale of expenditure is essential to the efficient and safe working of the lines. It was represented to us by one of the Agents that a considerable portion of the expenditure on his Railway was for renewals which were in his opinion absolutely unnecessary and that 60 miles of line to be renewed in 1923-24 and a similar mileage in 1924-25 could easily be strengthened at about one-third of the cost to last a further 15 or 20 years. On the other hand the Chief Commissioner stated that the renewals were part of a programme framed with a view to avoiding the necessity of having to renew an unduly large portion of the line in any one year which would mean a large financial outlay and considerable interference with traffic working. We consider that the control exercised by the Railway Board should ensure that adequate financial provision is made for renewals, and that it is not a proper function of the Board to insist on expenditure against the advice of the Manager and Engineer. In the particular instance quoted the additional expenditure involved would be borne by the State out of money raised at over 6 per cent. in order to avoid, 15 or 20 years hence, a possible delay to traffic which in the opinion of those responsible would never arise.

We ascertained that a considerable portion of the increased cost of maintenance of way, works and stations results from the present programme of capital expenditure on improvements to existing lines and works. We recognise that it is essential that revenue should bear its full share of all expenditure on improvements but we think that the present regulations governing the incidence of expenditure between capital and working expenses afford undue relief to capital, for example, in all cases of renewals the whole of the charges on account of freight of materials from depot to site and for loading and unloading of materials, etc., is debited to revenue. When old girders are replaced and heavier girders substituted the whole cost of re-erection is debited to revenue. The charge to capital for renewals of locomotives is based upon the tractive effort calculated on an empirical formula, which makes no allowance for the additional tractive effort obtained by means of super-heaters.

We recommend therefore that the present regulations be reviewed and revised as may be necessary to ensure a more equitable distribution of the expenditure on maintenance of way and works and on rolling stock.

We are of opinion that in present financial circumstances renewals of permanent way on unremunerative lines should be limited to cases where the track is worn out and not capable of being strengthened to meet probable traffic requirements for a substantial

period. The expenditure on the renewal of permanent way, bridges, etc., is charged against programme revenue with which we deal later.

13. *Locomotive Expenses*: Rs. 23,07,63,000.—The main items of expenditure under this head are:—

	Rs.
Fuel ... ..	9,23,65,000
Maintenance and Renewal of Locomotives	6,18,91,000
Running expenses ... ..	3,83,39,000

14. *Fuel*.—We have been supplied with the following statement showing the total quantity of fuel consumed in 1913-14 and estimated for 1922-23, the average cost per ton and the total cost at engine shed etc., for all 5' 6" gauge and metre gauge railways respectively:—

—	Quantity of Fuel consumed.	Total cost at Engine Shed.	Average cost per Ton.	Average consumption per Engine mile.	Total Engine mileage.
	Tons.	Rs.	Rs.	lbs.	Miles.
<b>All 5' 6" gauge Railways—</b>					
1913-14 ..	3,773,000	4,09,00,000	10·8	67·5	125,400,000
1922-23 ..	5,175,000	8,62,00,000	16·6	82·0	140,100,000
Per cent. increase ..	37	110	54	21	12
<b>All Metre Gauge Railways—</b>					
1913-14 ..	785 000	1,05,60,000	13·5	44·4	38,900,000
1922-23 ..	972,000	2,29,92,000	23·7	52·7	40,400,000
Per cent. increase ..	24	118	76	19	4

We are informed that the average price paid for coal for the 5' 6" gauge railways in 1922-23 was greatly increased by the large quantity of coal imported to meet a shortage in Indian supplies due partly to the strike on the East Indian Railway. On the Great Indian Peninsula Railway the cost per ton of imported coal delivered at the engine shed in 1921-22 was Rs. 32·75 per ton compared with Rs. 14·47 per ton for Indian coal. It is not proposed to import any railway coal in 1923-24.

The increase in the price of coal on the metre gauge railways is said to be largely due to the increase in sea freight for coal for the Burma Railways and to the diversion from sea to rail of coal for the South Indian Railway.

An examination of the present arrangements for controlling consumption would, we think, reveal possibilities of effecting economies. For example, we ascertained that it was not the practice on all railways to record the consumption of coal by each engine, although, without such records, there can be no effective check on waste due to losses of coal or excessive consumption by defective engines. The importance of keeping a close check of coal consumption will be realised when it is stated that the increased consumption per engine mile on the 5' 6" gauge railway has necessitated the provision of an additional 14'5 lbs. of coal per mile, or a total of 907,000 tons costing at the engine shed Rs. 1,50,00,000 and on the metre gauge railways an additional 8'3 lbs. per mile or a total of 149,000 tons costing Rs. 35,31,000.

We are informed that the increased consumption per engine mile may be attributed to :—

- (a) Reduction in the proportion of the first class coal available.
- (b) Increased engine hours due to delays to locomotives consequent upon the defective condition of the wagon stock and other causes.
- (c) Deterioration in the condition of locomotives due to enforced delay in repairs during the war period and after.
- (d) Increase in the average tractive effort of locomotives.

We understand it would be a difficult matter to form any reliable estimate of the increased consumption due to each of the above causes. The reduction in the proportion of first class coals available for railway purposes may be unavailable but we ascertained that no effective steps are taken to ensure that railways like the North-Western, whose supplies have to be hauled long distances, are provided with first class coal to the maximum extent possible, and that consequently there is considerable waste in haulage and wagon user.

With regard to (b) and (c) the increased coal consumption consequent upon the defective condition of rolling stock should be a diminishing factor. Large sums are being spent annually on the maintenance and renewal of locomotives and wagons and, in addition, the stock of vehicles has been increased to a greater extent than the volume of traffic handled.



The introduction of more powerful locomotives capable of hauling greater loads would undoubtedly account for a portion of the increase in the average consumption per engine mile. On the other hand, these large modern engines are generally fitted with superheaters and other improvements which very materially reduce coal consumption, and their use should automatically effect a considerable reduction in the consumption of coal per 1,000 gross ton miles. The following particulars show for some railways the quantity of fuel consumed per 1,000 gross ton miles in 1921-22 compared with 1913-14 :—

Railway.	Fuel consumed per 1,000 gross ton miles worked.	
	1913-14	1921-22
	lbs.	lbs.
North-Western ...	184	219
Oudh and Rohikhand ...	200	240
Bengal Nagpur ...	185	202
East Indian ...	140	164
Great Indian Peninsula	222	266

In view of all the circumstances we are of opinion that a considerable reduction in the expenditure on fuel should be possible in 1923-24 and we understand that it is proposed to reduce the estimate to Rs. 8,68,00,000, by an arbitrary cut of Rs. 1 crore on the demands made by the Agents included in the preliminary estimates for 1923-24.

Our attention was drawn to the fact that, in some cases, long term contracts for the supply of coal had been entered into at high prices, and we consider that it is open to question whether the placing of long term contracts is desirable.

15. *Maintenance and Renewal of Locomotives* :—The total stock of locomotives on the 10 principal railways has increased from 6,787 on the 31st March 1914 to 8,136 on the 31st March 1922, an increase of nearly 20 per cent, whereas the engine mileage during the same period has only increased by 5·2 per cent, and the maximum mileage run in any year subsequent to 1913-14 was only 7·8 per cent, in excess of the mileage for that year. The cost of maintenance and renewals has increased from Rs. 2,07,19,000 to Rs. 6,18,91,000 or by nearly 200 per cent and the average cost of maintenance per locomotive in stock from Rs. 3,053 to Rs. 7,607,

The average cost of repairs and renewals to locomotives on a few typical railways in 1913-14 and estimated for 1922-23 is as follows :—

Railway.	AVERAGE COST OF REPAIRS AND RENEWALS OF LOCOMOTIVES.			AVERAGE MILES RUN PER LOCO- MOTIVE.	
	1913-14	1922-23	In- crease per cent	1913-14	1921-22
	Rs.	Rs.			
North-Western ...	2,532	8,686	243	20,990	16,041
Oudh and Rohilkhand	2,743	6,753	146	26,120	21,260
Bengal Nagpur ...	3,608	5,620	56	28,025	23,285
East Indian ...	2,874	6,905	140	28,410	26,677
Great Indian Peninsula	3,779	9,854	160	23,794	20,412

This table shows that, although the average miles run per locomotive has considerably decreased since 1913-14, the average cost of repairs and renewals per engine in stock has largely increased except on the Bengal Nagpur Railway. We understand a considerable portion of the increased expenditure is due to the replacement of engines. We recognise that, in many cases, existing locomotives are not of the most up-to-date type, but it should, in our opinion, be possible to postpone the renewal of locomotives on many of the railways without adversely affecting traffic.

Particulars are given in Appendix C of the number of engines in use compared with the total stock. From this statement, as also from the mileage figures already given, it is evident that there is a considerable surplus stock which will not be required until traffic develops. Further locomotives are being ordered on capital account and, in addition, the introduction of train control should enable more effective use to be made of the available stock, and, as it is not anticipated that there will be any large development of traffic in 1923-24, we recommend that all renewals of locomotives on unremunerative lines should be postponed.

16. *Running expenses of Locomotives.*—The expenditure under this heading is mainly salaries and wages. From an examination of the figures given in Appendices A, B, and E, it appears that the increase in running expenses on the various railways bears little relation to the increase in engine mileage or traffic handled, as will be gathered from the following figures for the North-Western and Bengal Nagpur Railways :—

Percentage variation compared with 1913-14.

Railways.	Running expenses, 1922-23*	Engine mileage, 1921-22.	Freight tonnage conveyed, 1921-22.	Number of passengers conveyed, 1921-22.
North-Western	+106'2	—3'4	—6'2	+20'3
Bengal Nagpur	+104'5	+26'3	+21'7	+28'2

These figures show that, although the Bengal Nagpur Railway is carrying a very much larger traffic than in 1913-14 and the North-Western is running less mileage and handling less tonnage, running expenses on the Bengal Nagpur have not increased to the same extent as on the North-Western.

The large increase in shunting miles in relation to the total freight train mileage and total engine mileage also appears to require investigation. We are informed that the increased shunting on certain lines is due to the larger number of defective wagons but as previously stated this should be a diminishing factor and we are of opinion that considerable saving in shunting should be possible.

We consider that if energetic measures are taken to effect economies in the use of locomotives large reductions can be effected in running expenses in 1923-24.

17. *Carriage and Wagon Expenditure, Rs. 9,09,12,000.*—Of the total expenditure shown under this heading Rs. 7,64,52,000 is for repairs and renewals of vehicles.

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Particulars for 1921-22 are not available

The average cost of repairs and renewals per vehicle in 1913-14 and estimated for 1922-23 for some of the principal railways is as follows:—

Railway.	Average cost of repairs and renewals per vehicle in stock.		Per cent. Increase.
	1913-14.	1922-23.	
	Rs.	Rs.	
North-Western ... ..	151	474	213
Oudh and Rohilkhand ... ..	121	291	142
Eastern Bengal ... ..	98	372	280
Bengal Nagpur ... ..	123	305	148
East Indian ... ..	106	227	114
Great Indian Peninsula ... ..	169	555	229
Bombay, Baroda and Central India ... ..	121	591	388

Particulars of the stock of coaching and goods vehicles are given in Appendix B and of the traffic conveyed in Appendix D. These statements show that sufficient coaches have not been provided to meet the growing passenger traffic and this may account to some extent for the increased cost of repairs and renewals per vehicle. The present accounts, however, do not separate the expenditure on carriages and wagons, and it is consequently not possible to analyse the causes of the increase.

With regard to goods stock the maximum tonnage conveyed in any year subsequent to 1913-14 was only 8·8 per cent. in excess of the tonnage conveyed in that year, whereas the stock of wagons has increased by 21 per cent. Further, large orders have been placed for additional goods vehicles in 1922-23 and additional orders are contemplated for 1923-24 although no great increase in traffic is anticipated. It would appear therefore that no difficulty is likely to be experienced if the renewal of wagons on unremunerative lines is curtailed until financial conditions improve. We deal further with this question under programme revenue expenditure. 4

considerable reduction in the cost of repairs per vehicle on all railways should result from the fall in prices and railways should be able to overtake arrears of repairs and still effect a reduction in the total expenditure.

18. *Traffic expenses, Rs. 9,64,03,000.*—The expenditure under this heading has increased for ten principal railways from Rs. 4,88,57,000 in 1913-14 to Rs. 9,64,03,000 required for 1922-23, an increase of 97·3 per cent. This expenditure must necessarily depend to a large extent on the volume of traffic handled but, from figures with which we have been supplied, it would appear that the staff employed on many railways has increased to a much greater extent than is justified by the additional traffic now being carried. It was represented to us that the staff in all train operating departments was considerably increased towards the latter end of the war period and that it was difficult to make sudden reductions in numbers without effecting efficiency. On the other hand the Agent of the Great Indian Peninsula Railway stated that he had made large reductions in staff without experiencing any serious difficulty, and that, in his opinion, increased efficiency had resulted.

We are of opinion that the retention of a large surplus staff inevitably lowers efficiency, and that the staff ought to be reduced to the level necessary to meet current requirements.

19. *General Charges and Steam boat services, Rs. 4,49,05,000.*—The main items of expenditure included under general charges are salaries and wages of management, police and telegraph staff. We are informed that considerable reductions are being effected in the headquarters staff of the Great Indian Peninsula Railway and we consider that the possibility of effecting similar reductions on other railways should be explored. The increase in expenditure under steam boat services is small and does not call for any special comment.

20. *Special and Miscellaneous Expenditure.*—The main items under this heading are contributions to the railway provident funds, which are not susceptible of reduction except by reduced staff, and the expenditure on compensation for goods lost or damaged. In 1913-14 the expenditure on compensation amounted to Rs. 25,79,000 whereas the budget provision in 1922-23 was Rs. 1,16,79,000, an increase of 352 per cent. We are informed that the principal reasons for the increase in compensation are (a) increased traffic, (b) increase in prices of commodities, (c) disturbed economic conditions of the country since the war resulting in higher cost of living combined with unemployment and increased lawlessness, (d) shortage of rolling-stock resulting in delay in despatch and movement

of goods and consequent increased opportunity for depredation, (e) defective condition of rolling stock resulting in loss in transshipment and increased damage to consignments requiring protection from weather, (f) dislocation of traffic consequent upon strikes and the inadequate general supervision owing to a temporary shortage of officers consequent upon the war.

All these causes are no doubt contributory factors but it will be observed from Appendix A that there are large variations in the percentage increase in the expenditure on the different railways. For example, the expenditure on the Eastern Bengal Railway shows a decrease of 41 per cent. whereas on the Bombay Baroda and Central India Railway the expenditure has increased by no less than 539 per cent.

We are of opinion that an investigation into the methods adopted by the Eastern Bengal Railway to reduce losses might indicate a considerable field for economy and that a general tightening up of control together with falling prices should enable considerable saving to be effected in 1923-24. We are informed that provision for compensation in the preliminary estimate for 1923-24 is Rs. 81,27,000 compared with Rs. 1,04,71,000, the revised estimate for 1922-23. We consider that a still further reduction under this heading should be possible.

21. *Accounts and Statistics.*—We are in entire accord with the views expressed in the Acworth Committee's report in regard to the accounts and statistics compiled on the Indian railways. We are informed that a special Committee has been appointed to investigate the statistical records kept by the railways in Great Britain and America and to submit proposals for introducing a revised schedule of statistics to be compiled by all railways in India on a standard basis. It is anticipated that their report will be available at an early date and we recommend that steps be taken to expedite the introduction of new returns. We also think that, pending the report of the Statistical Committee, steps should be taken to eliminate all records which, in the opinion of the Agents, serve no practical purpose.

With regard to Accounts, we understand that nothing has been done to give effect to the recommendations of the Acworth Committee that the present form of Accounts should be reported on by experienced railway accountants conversant with modern practice in Great Britain and America. The basis of the present accounts is similar to that which obtained in Great Britain prior to 1918, when the

whole system was revised to meet modern requirements. We consider that the matter should be investigated without further delay and in this connection we recommend that a complete summary balance sheet should be prepared and published annually showing the financial results of the railways in India as a whole on the lines of that published by the Ministry of Transport for British railways.

We are informed that the recommendation made by the Indian Railway Accounts Committee in January 1921 that the use of war rants and credit notes for Government traffic should be abolished or drastically curtailed is still under consideration. The Economy Committee on the East Indian Railway has also drawn attention to the desirability of simplifying the method of dealing with charges for Military traffic in order to lighten the work of station staff, and it is evident that the matter is one which calls for immediate attention.

We ascertained that no steps have been taken to give effect to one of the most important recommendations made by the Indian Railway Accounts Committee, *vis.*, that route and rate books should be supplied to each station. It is stated by the Chief Commissioner that "it is possible that the ideal aimed at by the Committee will be difficult to attain as both rates and routes are subject to local conditions and to changes at frequent intervals." The difficulties to which reference is made exist also in America and in England and we are informed by the Auditor General that, in his view and in that of the Railway Accounts Committee, it is quite practicable to prepare rate and route books in India and that the introduction of such books would be a source of economy as it would enable the present elaborate system of traffic audit to be radically simplified. Another important recommendation made by the Accounts Committee was that the receipts on through traffic should be divided on the totals of the monthly abstracts, the division between railways being made on a mileage or decimal basis. This practice obtains on British and American railways and we see no reason why it should not be adopted on Indian railways. The Chief Commissioner has stated that the proposal is dependent upon the introduction of a system of uniform rates on all lines, but we cannot regard this difficulty as insuperable and it must have been well known to the Accounts Committee before they made their report. It is in our opinion desirable that the recommendations made by the Accounts Committee which have not yet been adopted should have the immediate attention of the Financial Adviser whose appointment has been proposed.

22. *Staff.*—We have been supplied with the following summary of the staff employed on the principal railways on the 1st April 1914, 1921 and 1922 :—

Railway	ADMINISTRATIVE AND CLERICAL			TECHNICAL AND INDUSTRIAL		
	1914	1921	1922	1914	1921	1922
North-Western .. ..	4,697	5,172	5,256	83,442	106,715	107,711
Oudh and Rohilkhand .. ..	1,905	2,080	2,103	35,541	32,817	39,951
Eastern Bengal .. ..	2,496	3,211	3,251	37,283	42,924	45,304
Bengal Nagpur .. ..	2,906	4,258	4,832	38,665	54,576	56,796
Great Indian Peninsula .. ..	3,543	4,712	4,791	Not available.	117,189	113,600
East Indian .. ..	4,723	5,797	5,947	76,550	97,907	99,527
Bombay, Baroda and Central India .. ..	3,068	3,910	3,871	44,777	55,548	55,731
Madras and Southern Mahratta .. ..	2,859	3,225	3,406	41,307	48,415	48,610
TOTAL .. ..	26,197	32,365	33,517	357,565	438,902*	453,630*

\* Exclusive of staff on the Great Indian Peninsula Railway.



This table shows that since 1913-14 the total administrative and clerical staff has increased by 7,320 or by 28 per cent., and the technical and industrial staff by 118,460 or 33 per cent., the latter increase being partly due to additional staff being employed for work formerly carried out by contract.

We are of opinion that there can be no justification for the large increase in administrative and clerical staff, and it is generally agreed that considerable reductions can be effected. The Agent of the Great Indian Peninsula Railway stated that as a result of an investigation he is making with a view to effecting economies he anticipated saving Rs. 50 lakhs in 1923-24 by reductions in staff or by economies consequent upon reductions in staff. Other Agents stated they were gradually effecting reductions, but we consider that in present financial circumstances the employment of staff in excess of requirements cannot be justified. We recommend that a further saving of at least Rs. 1 crore should be effected in salaries and wages in 1923-24.

#### PROGRAMME EXPENDITURE ON REVENUE ACCOUNT.

23. Special provision has been made since 1916-17 for expenditure on renewals as apart from ordinary maintenance. The distinction drawn between ordinary repairs and renewals must, from the nature of the case, be purely arbitrary, since every replacement, however small, is in fact a renewal, and the expenditure on repairs and renewals is so closely inter-related that any real distinction is practically impossible.

The present regulations provide that in the case of rolling stock the expenditure chargeable to Programme to Revenue is limited to the renewal of complete units, i.e., a complete locomotive carriage or wagon. Locomotive boilers are also regarded as units for renewal purposes. It is evident that under these regulations a locomotive, carriage or wagon can be completely reconstructed at the cost of repairs provided that all the parts are not renewed at the same time. The life of the various parts of a locomotive varies enormously; the wheels and axles last much longer than the firebox or the cylinders, and, provided that the various components are renewed as required, the life of the engine as a whole is indeterminable. Boilers and other parts are interchangeable within limits and even the type of the engine may be completely altered in the ordinary course of repairs over a series of years.

We are informed that many of the leading locomotive engineers in Great Britain are strongly adverse to fixing any life for locomotives, and that, while it is the practice on many of the railways to

make financial provision for renewals on an assumed life basis, it is not the practice to condemn either locomotives, carriages or wagons, merely because they have been in use for a specified period of years.

Similarly, in the case of bridges and permanent way, the life of even the same material varies enormously in different localities and depends upon traffic conditions and many other factors which cannot be readily determined.

24. The underlying principle of a Renewal Fund is to ensure that adequate financial provision is being made for depreciation and this is particularly necessary in the case of railways which are rapidly expanding. In such cases it is obvious that there is a great difference between (a) the financial provision which would be made against depreciation and (b) the amount which should be spent annually. For example, the number of broad gauge locomotives on the railways in India increased from 5,124 in 1913-14 to 6,261 in 1922-23 an increase of 1,137 engines. Assuming a theoretical life basis of, say, 35 years it would be necessary to make financial provision for the renewal of 32.5 more engines annually than in 1913-14, but it would not be necessary to renew 32 more engines annually merely because the stock had been increased.

25. We are forced to the conclusion that expenditure on repairs and renewals must be considered together, not only to ensure an effective control on expenditure, but also to allow the railways some latitude in regard to carrying out repairs rather than renewals. In our opinion undue importance is being attached to maintaining a high rate of programme revenue expenditure and there is serious danger that a hard and fast rule may lead to considerable waste by forcing the railways to renew permanent way or rolling stock which with judicious repairs could be made serviceable for many years to come.

As we have mentioned in paragraph 6, the capital programme of Rs. 150 crores for rehabilitation of the railways has been restricted to expenditure on capital improvements of open lines and cannot be utilised for overtaking arrears of repairs and renewals. The utilisation of this capital for the purpose of improving the facilities of the railways necessarily involves increased expenditure on renewals which is charged against working expenses. If, however, the funds available for working expenses are limited and considerable sums are utilised for renewals, it follows that repair work must be curtailed. To give one instance, it was represented to us that the bad conditions of the wagon stock was prejudicially affecting the economic working of the railways, and that, although large sums were being spent on renewals, there were insufficient funds available for the repair of wagon stock.

26. The growth of programme revenue expenditure since 1916-17, when it was decided to separate repairs and renewals, has been as follows :—

			Rs.
1916-17	...	...	2,20,22,000
1917-18	...	...	1,44,53,000
1918-19	...	...	1,99,86,000
1919-20	...	...	3,59,43,000
1920-21	...	...	5,06,43,000
1921-22	...	...	7,62,26,000
1922-23	...	...	9,97,48,000
1923-24 proposed	...	...	12,50,00,000

We are informed that the small expenditure incurred in past years has been mainly due to the difficulty in obtaining supplies of materials and that there are now considerable arrears of renewals which it is desired to overtake as quickly as possible. We are not satisfied however, that there is any justification for an expenditure of Rs. 12,50,00,000 on renewals.

72. A Committee was recently appointed to investigate the amount of arrears of depreciation on each railway and, although their report is not yet complete, we have been supplied with preliminary figures showing the normal provision which they recommend should be made for renewals on each line and the estimated cost of overtaking arrears. The figures for expenditure which would fall under programme revenue are as follows :—

			Rs.	Rs.
North-Western	...	...	1,96 55,000	3,95,99,000
Oudh and Rohilkhand	...	...	48,82,000	1,13,62,000
Eastern Bengal	...	...	65,97,000	1,11,24,000
Bengal Nagpur	...	...	60,00,000	96,00,000
Great Indian Peninsula	...	...	1,02,82,000	2,13,98,000
East Indian	...	...	1,70,19,000	2,71,76,000
Bombay, Baroda and Central India	...	...	96,60,000	2,15,58,000
Madras and Southern Mahratta	...	...	61,29,000	1,61,79,000
South Indian	...	...	51,25,000	1,24,76,000
Burma	...	...	31,48,000	25,40,000
Other railways	...	...	34,21,000	1,27,11,000
<b>TOTAL</b>	...	...	<b>9,19,18,000</b>	<b>18,57,23,000</b>

We have been unable to ascertain the basis on which the estimated normal depreciation has been calculated but it is probable that a life basis has been adopted and the figures will therefore represent the financial provision necessary to provide for depreciation and not the actual expenditure required annually which will be considerably less.

Assuming, however, that it is necessary to incur expenditure in 1923-24 up to the full annual provision, the following table shows the amounts which the Chief Commissioner has included in his preliminary budget for 1923-24 in excess of that provision :—

Railway.	Proposed programme expenditure.	Normal deprecia- tion.	Excess.
	Rs.	Rs.	Rs.
North-Western ...	2,67,10,000	1,96,55,000	70,55,000
Oudh and Rohilkhand ...	76,07,000	48,82,000	27,25,000
Eastern Bengal ...	72,20,000	65,97,000	6,23,000
Bengal Nagpur ...	61,06,000	60,00,000	1,06,000
Great Indian Peninsula ...	1,43,64,000	1,02,82,000	40,82,000
East Indian ...	1,78,13,000	1,70,19,000	7,94,000
Bombay, Baroda and Central India ...	1,46,65,000	96,60,000	50,05,000
Madras and Southern Mahratta ...	1,39,99,000	61,29,000	78,70,000
South Indian ...	80,69,000	51,25,000	29,44,000
Burma ...	36,36,000	31,48,000	4,88,000
Other railways and unallo- cated expenditure ...	48,11,000	34,21,000	13,90,000
<b>TOTAL ...</b>	<b>12,50,00,000</b>	<b>9,19,18,000</b>	<b>3,38,82,000</b>

We have already recommended that, in present financial circumstances, expenditure for renewals on unremunerative lines should be limited to normal requirements, see paragraph 6. This would mean

that no excess provision on the North-Western, Oudh and Rohilkhand Eastern Bengal, Great Indian Peninsula and Madras and Southern Mahratta Railways would be granted, saving over Rs 2½ crores.

28. The proposed allocation of programme expenditure in 1923-24 is shown in Appendix F, details of the expenditure on rolling stock and way, works and stations being given separately.

*Locomotives.*—It will be observed that it is proposed in 1923-24 to replace by new engines no less than 405 locomotives in 1923-24, out of a total stock of 8,136, which is equivalent to renewing on a 20 years life basis. We regard this as excessive.

On the North-Western Railway the maximum engine mileage run in any year subsequent to 1913-14—this period including the Afghan War and continuing frontier operations—was only 5·2 per cent. in excess of the mileage run in 1913-14. In 1921-22, the engine mileage run was actually below the 1913-14 level and the maximum number of engines in use was only 1,045 or 67 per cent of the average stock of 1,561 compared with 74 per cent. in 1913-14. It is clear, therefore, that there is a large surplus stock of locomotives on the North-Western Railway and in addition we are informed that the present annual programme provides for a further increase in stock at the rate of 1 per cent. annually. It has been represented to us that the surplus stock is required partly as a margin for repairs and partly to meet mobilisation requirements but, in view of the facts stated, the maintenance of this large service of locomotives to meet mobilisation requirements can only be regarded as extravagant.

It is proposed to replace 70 locomotives in 1923-24, but in view of the large stock held it is evident that the replacement of these engines is not essential to meet traffic requirements. We recommend therefore that no expenditure be incurred on renewals in 1923-24.

The Great Indian Peninsula Railway is proposing to replace 104 locomotives out of a total stock of 1,301, and as in the case of the North-Western Railway there would appear to be no justification for the renewal of such a large number of engines. The stock of locomotives has increased from 1,073 on the 31st March 1914 to 1,301 on the 31st March 1922 or by 21·3 per cent. whereas the maximum mileage run in any year subsequent to 1913-14 was only 10·7 per cent. in excess of the mileage run in that year. The maximum number of engines in use in any one day in 1921-22 was only 947 and we recommend that the programme for renewals for 1923-24 be limited to actual commitments.

*Carriage and wagon stock.*—The provision for the renewal of coaching stock does not call for special comment, but with regard to freight stock the expenditure on the North-Western and Madras and Southern Mahratta Railways should, we think, be largely curtailed. The North-Western Railway proposes to renew 1,429 goods stock vehicles in 1923-24 representing renewal on the basis of a 21 years life compared with 34 years on the East Indian and 45 years on the Bengal-Nagpur Railways. The Madras and Southern Mahratta Railway proposes to renew 830 wagons costing Rs. 28,74,000 in 1923-24 representing renewals on the basis of a 15 years life.

*Miscellaneous Vehicles.*—Of the total proposed provision of Rs. 40,78,000 for miscellaneous vehicles in 1923-24, no less than Rs. 20,36,000 has been allocated to the Madras and Southern Mahratta Railway and Rs. 7,85,000 to the Oudh and Rohilkhand Railway, leaving only Rs. 12,57,000 for miscellaneous vehicles on other railways in India. We think it is evident that the proposed provision for the two railways named is excessive and should be drastically curtailed.

*Track renewals.*—The programme for 1923-24 provides for expenditure of Rs. 5,51,00,000 on track renewals, the amount allocated to the more important lines being shown in the following table :—

Railway.	Total expenditure.	Track mileage.	Expenditure per mile of track.
	Rs.		Rs.
North-Western ... ..	1,16,30,000	6,788	1,713
Oudh and Rohilkhand ... ..	45,93,000	1,593	2,883
Eastern Bengal ... ..	34,79,000	2,525	1,377
Bengal-Nagpur ... ..	37,63,000	3,536	1,064
Great Indian Peninsula ... ..	23,75,000	4,689	506
East Indian ... ..	72,88,000	4,366	1,669
Bombay, Baroda and Central India ... ..	77,97,000	3,897	2,001
Madras and Southern Mahratta	49,91,000	3,258	1,532

We consider that the proposed expenditure of Rs. 1,16,00,000

on track renewals on the North-Western Railway, which is only earning 1·7 per cent. on its capital at charge, cannot be justified. It has been argued that the North-Western Railway is handicapped by having on its shoulders a number of strategic lines which cannot be expected to pay. It appears to us, however, that endeavour is being made to increase the capacity of this line by raising its standard of equipment, so that the heaviest type of engine can be employed to deal with a possible large increase in traffic. We ascertained from the Agent that, in his opinion, there was little prospect of the Railway being able to earn sufficient revenue to yield 5 per cent. on the capital at charge, and, in these circumstances, it appears to us that the economy to be effected by the use of large engines is not likely to be sufficient to justify the heavy expenditure which is apparently necessary to bring the line up to the required standard.

The expenditure on the Oudh and Rohilkhand Railway of Rs. 2,883 per mile, which is 44 per cent. in excess of any other line, cannot, we think, be justified. The figures for the Great Indian Peninsula Railway indicate the reduction which can be effected in expenditure by adopting the policy of limiting renewals of track to sections of lines that are completely worn out. We consider that this policy should be adopted on all unremunerative lines and that expenditure on the North-Western, Oudh and Rohilkhand, Eastern Bengal and Madras and Southern Mahratta Railways should be drastically curtailed.

*Other works.*—The proposed provision of Rs. 1,32,61,000 for other works is mainly for improvements on the Great Indian Peninsula, South Indian and North-Western Railways. We consider that the total provision under this head for 1923-24 should be limited to Rs. 1 crore.

In this connection we have been supplied with details of the more important station remodelling schemes for which provision is being made in 1923-24. It will be seen that it is proposed to provide Rs. 52 lakhs as a first instalment for remodelling Grant Road Station on the Bombay, Baroda and Central India Railway. The total cost of this station is estimated at Rs. 3½ crores. It is also proposed to remodel the Victoria Terminus on the Great Indian Peninsula Railway at a cost of Rs. 69 lakhs. The bulk of the remodelling expenditure is on capital account, but in view of the very large amounts involved we consider that the possibility of remodelling these stations on a smaller scale, which could ultimately be enlarged to meet growing requirements, should be considered.

29. *Summary.*—The Committee on Depreciation estimated that the financial provision required for normal annual depreciation would be Rs. 9,19,18,000. On this basis the actual annual expenditure at the present time would probably not exceed Rs. 8 crores, irrespective of any expenditure to overtake arrears. We understand that the Finance Department, while acquiescing in the allocation to railways of provision for programme revenue expenditure to the extent of Rs. 12½ crores, have assumed that it will not be practicable to spend the full amount during the financial year and have made a lump reduction of Rs. 1 crore on account of the propable “lag”. As a result of our consideration we are of opinion that the budget provision for programme revenue expenditure in 1923-24 should be limited to Rs. 9 crores and that the Agents of individual railways should be empowered to utilize the amounts allocated to their railways at their discretion, for either additional repairs or renewals, which, as we have already pointed out, are very closely inter-related.

#### ESTIMATED FINANCIAL RESULTS FOR 1923 24.

30. With the reduction of Rs. 3½ crores which we propose in the preliminary estimates for 1923 24 the provision for working expenses, including surplus profits, will stand at Rs. 64 crores on the basis of an assumed revenue of Rs. 95½ crores. The following statement compares the estimates for 1923-24 under our proposals with the budget and revised estimates for 1922-23 and the preliminary estimate for 1923-24 ;—

Year.	Receipts.	Working expenses including surplus profits.		Net receipts.
		Rs.	Rs.	
1922-23	Budget	99,57,26,000	68,59,00,000	30,98,26, 000
	Revised ...	92,07,26,000	67,51,92,000	24,55,34, 000
1923-24	Preliminary estimate	95,57,24,000	67,50,27,000	28,06,97,000
	Proposed ...	95,57,24,000	64,00,00,000	31,57,24,000



The estimated revenue for 1923-24 is 4 per cent. less than the budget estimate for 1922-23 and, assuming a proportionate reduction in working expenses, the amount required for 1923-24 would be Rs. 65,85,00,000, or Rs. 274 lakhs less than the budget estimate for 1922-23 and Rs. 165 lakhs less than the preliminary estimate for 1923-24. The provision of Rs. 64 crores which we recommend represents a reduction of over Rs. 4½ crores on the budget estimate for 1922-23. We have also recommended investigation in various directions, which, if energetically followed up, should result in further large savings and, when it is borne in mind that there should automatically have been a reduction of Rs. 274 lakhs, apart from the savings due to the fall in prices of materials, we think it will be generally agreed that it should be possible to effect much greater reductions in the near future, subject, of course, to any allowance which may be necessary to cope with increased traffic.

#### PROGRAMME OF FUTURE CAPITAL EXPENDITURE.

31. We have already referred to the Capital programme of Rs. 150 crores authorised for the rehabilitation of the railways during the 5 years ending with 1926-27. We are informed that this amount was allocated among the railways as follows although some slight modification has since been effected :—

Railway.	Allocation proposed.
	Rs.
North-Western ...	17,53,00,000
Oudh and Rohilkhand ...	6,50,00,000
Eastern Bengal ...	6,50,00,000
Bengal Nagpur ...	16,00,00,000
Great Indian Peninsula ...	20,83,00,000
East Indian ...	23,46,00,000
Bombay, Baroda and Central India ...	16,13,00,000
Madras and Southern Mahratta ...	10,00,00,000
South Indian ...	9,00,00,000
Burma ...	4,00,00,000
Other Railways ...	5,56,00,000
Lines under construction and unallocated	14,49,00,000
TOTAL ...	<u>1,50,00,00,000</u>

A very substantial proportion of this capital has been allocated to unremunerative lines as appears from the following statement :—

LOSS ON WORKING AFTER  
PAYING INTEREST AND  
SINKING FUND CHARGES.

Railway.	Proposed allocation.	1922-23,	
		Revised estimate.	1923-24, Preliminary estimate.
	Ra.	Ra.	Ra.
North-Western ...	17,53,00,000	2,53,98,000	1,96,95,000
Oudh and Rohilkhand	6,50,00,000	24,72,000	10,25,000
Eastern Bengal ...	6,50,00,000	61,95,000	58,72,000
Great Indian Peninsula	20,83,00,000	89,40,000	62,28,000
Madras and Southern Mahratta ...	10,00,00,000	3,41,000	79,84,000
Other Railways ...	5,56,00,000	10,12,000	88,35,000
TOTAL ...	66,92,00,000	4,43,58,000	4,96,39,000

We are informed that there are many remunerative schemes such as the opening up of lines for the development of mineral resources, the electrification of suburban lines, etc., which at present cannot be taken up owing to the difficulty of obtaining capital. This being so, we cannot believe that it is legitimate under any circumstances to put Rs. 67 crores of capital, borrowed at a high rate of interest, into lines which are already a very heavy drain on the resources of the State and we recommend that, except in case of commitments already entered upon, no further capital expenditure be incurred on these lines until the whole position has been examined by the Financial Adviser and reviewed by the Government. If the full amount of the capital cannot immediately be employed on remunerative works on open lines, it would, in our opinion, be a matter for consideration whether some portion of it could not with advantage be devoted to the construction of new lines promising an adequate return.

## STORES.

32. We have been furnished with the following particulars showing, for the 10 principal railways, the value of the stores purchased and issued during the years 1913-14 and 1921-22 and the stock on hand at end of each of these years:—

\*  
Railway.

Opening balance. Purchases during year. Issues during year. Stock on hand at end of year.

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		in 1000	Rs.	in 1000	Rs.	in 1000	Rs.	in 1000	Rs.
Bengal-Nagpur	..	..	{ 1913-14 .. 1921-22 .. }	78.23	2,20.56	6,13.51	1,84.77	6,17.99	1,14.02
				1,32.67					1,28.39
Bombay, Baroda and Central India.			{ 1913-14 .. 1921-22 .. }	1,10.04	3,95.00		3,98.30		1,06.74
				1,19.43	8,43.62		7,16.65		2,46.40
Burma ..	..	..	{ 1913-14 .. 1921-22 .. }	54.12	69.91		69.35		54.68
				00.47	1,59.99		1,46.06		74.40
Eastern Bengal	..	..	{ 1913-14 .. 1921-22 .. }	1,27.56	2,09.71		2,34.12		1,03.15
				1,78.78	2,95.16		2,48.24		2,25.70

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## INDIAN RETRENCHMENT COMMITTEE

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East Indian	..	{ 1913-14 ..	93.47	4,06.15	3,77.54	1,22.08
		.. { 1921-22 ..	2,41.09	7,55.68	6,89.50	3,07.27
Great Indian Peninsula	..	{ 1913-14 ..	1,59.07	4,35.17	4,11.54	1,82.70
		.. { 1921-22 ..	3,73.72	8,18.18	7,75.35	4,66.55
Madras and Southern Mahratta	..	{ 1913-14 ..	88.04	2,00.52	1,86.36	1,02.30
		.. { 1921-22 ..	1,03.15	4,04.67	3,50.75	1,57.07
North-Western	..	{ 1913-14 ..	2,71.48	6,44.55	6,04.58	3,11.45
		.. { 1921-22 ..	3,55.18	8,33.84	7,67.36	4,21.66
Oudh and Rohilkhand	..	{ 1913-14 ..	43.72	1,36.43	1,24.42	55.73
		.. { 1921-22 ..	48.77	2,19.76	1,92.10	76.43
South Indian	..	{ 1913-14 ..	52.83	1,75.21	1,58.59	69.45
		.. { 1921-22 ..	72.42	3,20.50	2,80.57	1,12.35
TOTAL	..	{ 1913-14 ..	10,78 56	28,93.21	27,49.47	12,22.30
		.. { 1921-22 ..	16,85.90	53,14.89	47,84.57	22,16.22

We are informed that the total amount of capital locked up in suspense account at the end of 1921-22 amounted to over Rs. 34 crores. and that, for some railways, the figures shown in the foregoing table represent the total value of certain specified stores and not the total value of all stores held. It is stated that the book value of many items is considerably above their present market price, in some cases by as much as 50 per cent.

We understand that the stocks of stores held on March 31st, 1922, were swollen by large arrivals of indents in the closing months of 1921-22, too late for issue before the end of the financial year and also by the strike on the East Indian Railway, which resulted in delay in the carrying out of works. We consider, however, that, allowing for this, the stocks stores held are on an extravagant scale and we recommend that steps be taken by a careful scrutiny of intends to effect an early and very substantial reduction.

#### GENERAL.

33. The Chief Commissioner is responsible under the Government of India for arriving at decisions on technical questions and he is solely responsible for advising the Government of India in matters of railway policy. Considering the enormous stake which the Government of India have in the railways, and the financial relations which exist between the Government and the railways, we think it essential that there should be an officer of the Government of India to protect the interests of the State, to consider schemes for development, and to sanction capital expenditure. We consider it very important, however, that his functions should be closely and clearly defined. The Agents, as they are now called, should in our opinion become General Managers, should be made responsible for the administration, working and financial results of their railways, and should be free to conduct their undertakings on a commercial basis. The Chief Commissioner and his organisation should hold inquiries in the case of serious accidents in the same way as the Board of Trade does in Great Britain; they should see that the lives of the public are fully safeguarded, that proposed capital expenditure is fully justified as a commercial proposition before being sanctioned, that the construction of engineering works and rolling stock conforms to recognised standards and that rates and fares are fixed at a level necessary to ensure that with economic working an adequate return is obtained on the large capital invested by the State in railways.

34. The receipts and working expenses of the railways amount together to more than Rs. 150 crores per annum and the magnitude of the financial interests of the State involved in these transactions make it, in our opinion, essential that an experienced Financial

Adviser should be associated with the Chief Commissioner. It is clear that such association is urgently required in order so ensure that financial considerations are given their due weight in the exercise by the Chief Commissioner of his proper functions. There are also many other technical matters such as the financial provision to be made for renewals of permanent way, bridges, rolling stock, etc., and the incidence of expenditure as between capital and revenue which can best be dealt with by a financial expert.

35. We consider that each railway should compile and forward monthly statistical and financial returns shewing its working results. These results should be summarised and scrutinised in the Chief Commissioner's office, and in this way the working of all the railways in India would be focussed for the information of the Member of Council in charge of the railways, the Chief Commissioner and the Financial Adviser. The summarised results should be communicated to the General Managers, which is not now done, so that each Manager will be able to compare the results of his working with that of other railways. In this way, by working in close touch with the Managers, the Hon'ble Member in charge of the railways and the Chief Commissioners should be in a position, while safeguarding the interests of the State, to indicate the directions in which improvements in working might be effected from the point of view of economy or public convenience. This was the procedure intended when the Railway Board was formed in 1908, as set out in the following statement :—

"The conception of a Railway Board is not new ; it has been advocated and considered on various occasions for many years past. Its central idea is that there should be a body of practical business men entrusted with full authority to manage the railways of India on commercial principles, and freed from all non-essential restrictions or needlessly inelastic rules.

"There are two distinct classes of duties with which the new authority will have to deal. The first is deliberative, and includes the preparation of the railway programme and the greater questions of railway policy and finance affecting all lines. The ultimate decision on such questions must of necessity rest with the Government of India.

"The second class of duties is administrative, and includes such matters as the construction of new lines by State Agency, the carrying out of new works on open lines, the improvement of railway management with regard both to economy and public convenience, the arrangements for through traffic, and the settlement of disputes between railways."

36. This conception of the functions of the railway Board fell into disuse and detailed control of the railways passed into the hands of a Board stationed at Calcutta and Simla and latterly at Delhi and Simla, and the Agents found themselves more or less paralysed. As stated in the Acworth Committee's report, many references on trivial questions have to be referred by the Agents of the railways to Delhi, involving a great amount of correspondence and delay. We are told that in almost every case the result is approval of the Agent's proposals. We agree that this excessive centralisation is wrong. The General Manager of a great railway should not have to refer minor matters connected with the working of his railway to a centralised headquarters in Delhi or Simla, but should be empowered to give decisions and be free to attend to the working of his line. His management should be judged by results and, if it is unsuccessful, apart from fortuitous circumstances over which he has had no control, he should be relieved of his duties. We think the question of the salaries of General Managers might with advantage be considered. They are paid very much less than General Managers of railways in Great Britain and it is most important that the very best type of man should be secured by giving him adequate remuneration. It might be objected that in this way the General Manager of a railway would possibly be more highly paid than the Commissioner or Chairman of the Railway Board, but the General Managers of railways in England are much more highly paid than the Chairman of the Boards of Directors and there is no reason why the same system should not be adopted in India. At present certain restrictions are placed on the salaries of the Managers of railways in India by laying it down that they must not receive more than certain other highly placed officials, but in commercial undertakings, such as railways, we are satisfied this is a mistake and the rule should be a abrogated.

37. We are convinced that, in a country like India with her vast territory and differing peoples and circumstances, it is an impossibility to control the details of all the railways from Delhi or Simla as at present. Decentralisation is, in our opinion, essential if the railways in India are to be developed on economic lines. It is generally agreed that large economies could be effected by grouping the railways on the lines recently adopted in Great Britain and we recommend that the preparation of a scheme be taken up forthwith. We consider the existing systems could well be amalgamated into, say, five groups but, although certain lines would appear to fall naturally into the same group, some time and study may be necessary to evolve the most suitable and economic scheme.

38. We have discussed this report with the Chief Commissioner of Railways who accepts the conclusion of the Committee that in the

present circumstances reductions in the Railway Budget are unavoidable. Naturally he may find it convenient in working up to them to make certain alterations in the method of arriving at them and this we quite realise. He is in general agreement with many of our recommendations although he must give careful consideration to the means of effecting them.

The Chief Commissioner was good enough to say that he considers the report extremely valuable.

### CONCLUSIONS.

Having reviewed the expenditure on the railways we recommended that :—

- (1) steps be taken to curtail working expenses as necessary to ensure that, under normal conditions, an average return of at least 5½ per cent. is obtained on the capital invested by the State in railways;
- (2) the present system of programme revenue expenditure be abolished, and that adequate financial provision be made annually by each railway for the maintenance and renewal of permanent way and rolling stock in the manner indicated in paragraph 7;
- (3) the agent of railways be designated General Managers and made responsible for the administration, working and financial results of their railways;
- (4) a Financial Adviser be immediately appointed to ensure that financial considerations are given their due weight before expenditure is incurred;
- (5) the preparation of a scheme of grouping the railways be taken up forthwith; and
- (6) the budget provision for working expenses, including surplus profits in 1923-24 be limited to Rs. 64 crores, subject to a further allowance to meet any increase in traffic, a reduction of Rs. 4,59,00,000 on the budget estimate for 1922-23 and of Rs. 3,50,00,000 on the preliminary estimate proposed for 1923-24.





## PART III.

### POSTS & TELEGRAPHS DEPARTMENT

*[After scrutinising the estimates and actual expenditure in this department and making a comparative analysis of all the items under this head such as conveyance of Mails, the salaries of staff, House allowance, on wireless, and miscellaneous heads the committee concludes as follows :—]*

Having reviewed the expenditure of the Posts and Telegraphs Department we recommend that :—

- (1) steps be taken to maintain a strict relation between the telegraphs staff employed and the work performed, and to improve the average out-put ;
- (2) the use of motor services be restricted in future to large towns and important lines carrying heavy mails ;
- (3) outside tenders be obtained for the construction of all large Postal and Telegraph Buildings ;
- (4) house-rent and local allowances be reviewed and economic rents charged for all staff accommodation provided, subject to the ordinary rule as to limit of salary ;
- (5) the reserve stock of constructional and general stores be limited to 9 month's supply ;
- (6) contracts for clothing be dealt with at a central office, the scales of clothing provided be reviewed and the period between issues extended where possible ;
- (7) a Financial Adviser be associated with the Director-General to assist in the control of existing and future expenditure ;
- (8) the Budget Estimate for 1923-24 for the Posts and Telegraphs Department be limited to Rs. 8,82,00,000 including Rs. 1,22,000 transferred from the Indo-European Telegraphs Department, a reduction of Rs. 1,37,27,000 ; and
- (9) the capital expenditure on the Telegraph Department be limited to Rs. 94,30,000, a reduction of Rs. 50,70,000.

[The Hon. Mr. Purshotamdas Thakurdas appends an independent note under this heading as follows :--]

**SUPPLEMENTARY NOTE BY THE HON'BLE  
MR. PURSHOTAMDAS THAKURDAS ON POSTS AND  
TELEGRAPHS.**

*Subsidies to Cable Companies.*—Regarding the reference to this in paragraph 21 of the Report of the Committee I feel that the Government of India may usefully examine the desirability of some modification of the agreements with these Companies. A detailed examination of the agreements with the Cable Companies may suggest other legitimate and valuable sources of revenue when compared with conditions on which Cable Companies are allowed to operate in other countries.

DELHI ;

*The 6th February 1923,*

} PURSHOTAMDAS THAKURDAS.

## THE INDO-EUROPEAN TELEGRAPH DEPARTMENT

*[After examining in detail the working of this department, the Committee concludes as follows :—]*

Having reviewed the expenditure of this Department, we recommend that—

- (1) steps be taken to maintain a strict relation between the telegraph staff employed and the volume of work performed and to improve the present output per operator ;
- (2) the necessity for the various existing allowances be examined with a view to curtailment ;
- (3) the arrangements for purchase and control of stationery and stores be examined and placed on a proper footing, and the stocks held reduced to essential requirements :
- (4) the question of disposing of the Government lines to a commercial concern be explored, and if the undertaking is not disposed of, endeavour be made to come to a favourable arrangement with some commercial cable company for the repair of the Department's cables and so admit of the sale of the " Patrick Stewart" ; and
- (5) the Budget estimate for 1923-24 for the Indo-European Telegraph Department be limited to Rs. 36,01,000, a reduction of Rs. 7,34,000, including Rs. 1,22,000 to be transferred to the Indian Posts and Telegraph Department, giving a net saving of Rs. 6,12,000.

**MINUTE OF DISSENT BY THE HON'BLE  
MR. PURSHOTAMDAS THAKURDAS ON INDO-EUROPEAN  
DEPARTMENT.**

This is commercial Department and the figures from 1913-14 submitted to the Committee show that it has been remunerative to the Government of India, having yielded, on the capital sunk, a return varying from 4'46 per cent. in 1913-14 to 14'58 per cent. in 1919-20 after allowing for a sinking fund of 1 per cent for depreciation of plant. The capital sunk in this Department is shown to be Rs. 1,78 lakhs in 1920-21 and yielded in that year a net return of 9'76 per cent. after allowing depreciation as above, and debiting to the revenue account Rs. 1,00,000, which is to be written off the capital account annually by way of amortization of assets valued at Rs. 20,57,787, which latter will revert to the Persian Government on the termination of the present Agreements. However no commercial accounts are kept by this Department.

2. The headquarters of the Department are in London under the direct control of the Secretary of State. This is considered necessary because questions arising under the agreements with the Persian Government coming through His Majesty's Minister at Teheran involve discussion and decision through the Foreign Office with the Treasury, and such questions are regarded as most conveniently conducted by means of the India Office machinery. Questions arising on Joint Purse matters are also regarded as capable of being more conveniently settled by discussion with Telegraph Companies in London than by correspondence to and from India. In 1888 efforts were made to control the Department from India, but the Committee was informed that this was not found successful. In 1893 the control was retransferred to the Secretary of State. The Government of India have desired by a Despatch dated the 20th July 1922 that the control should be transferred to the High Commissioner for India in London.

3. My observations on this Department are based chiefly on the statement submitted to the Committee by the Director-in-Chief of the Indo-European Telegraph Department, who is stationed in London, with the India Office. The Committee were unable to go into the expenditure on this Department in detail as no one in the Secretariat at Delhi could give further information in connection with this Department; and the Director, Persian Gulf Section, who interviewed the Committee could not give detailed information regarding the Persian Section of the Department.

4. The difficulty in retaining the control of the Department in India appears to be in two directions :—

(i) *Questions arising under agreements with the Persian Government,*

These can be dealt with either by the Persian Consul in India or by one of the Consuls of the Government of India in Persia as long as they have one. If these questions involve the interests of the British Treasury, and necessitate discussion with the Treasury in London, they can be handled by the High Commissioner for India in London under instructions from the Government of India.

(ii) *Questions concerning the Joint Purse and involving discussion with Telegraph Companies in London.*

These can be handled by the High Commissioner on behalf of the Government of India in London.

An important reason for the headquarters of the Department being in India is that the main expenditure of the Department is in India and the staff is recruited in India. The following figures give the distribution of the expenditure between England and India :—

	Expendi- ture in India.	Expendi- ture in England (at Rs. 15=£1).	Total.
	Rs.	*Rs.	Rs.
1913-14 (Accounts) .	10,98,782	*59,132	11,57,914
1921-22 (Revised Estimate) ..	29,91,000	39,000 (10=£1).	30,30,000
1922-28 (Budget) *..	29,82,090	35,000 (10=£1).	30,17,000

It will be seen that a little more than 1 per cent. of the total is being spent in England. I therefore recommend that in the interests of efficient management and better control over expenditure, the headquarters of the Department be with the Government of India at Delhi, and I am not aware of any valid reasons why this should not be feasible now.

5. Regarding what my colleagues mention in paragraph 13 of the Report I have not been able to understand the reasons why the Indian Post and Telegraph Department should have taken over the Meshed-Saistan-Duzlap Telegraph Line, entailing a cost of upkeep amounting to Rs. 1,12,000 in 1921-22 and Rs. 1,22,000 in 1922-23.

The Meshed-Seistan section of this line belonged to the Persian Government line normally till the war and was controlled by the military authorities during the period of the war. About 1919 it was made over to the Indian Post and Telegraph Department and it appears to be a section that is unremunerative.

Further, the Department shares half the cost of the three wireless stations at Bahrein, Bushire and Henjam with the British Government. This amounted to Rs. 80,000 in 1921-22 and Rs. 1,09,000 in 1922-23. In addition the Department bears the whole cost of the wireless station at Linga, which amounted to Rs. 35,000 in 1921-22 and Rs. 8,600 in 1922-23. These wireless stations, the Committee are informed, were used for communicating with ships and with Bahrein, where there is no cable. A complete examination of the liabilities which are at present incurred by the Government of India in connection with this Department, and particularly in connection with the Meshed-Seistan line and the Wireless Stations in Persia, appears to be necessary.

6. The details regarding the Joint Purse agreement and the advisability of extending or restricting the activities of this Department in Persia require to be thoroughly examined and revised. A searching enquiry into all the details connected with this Department by a Committee of the Legislature in India should prove quite useful.

7. My-colleagues recommend an examination of the possibility of selling this concern to a British Company. I cannot agree with them. I am not aware if the circumstances, under which the telegraph lines under this Department were laid at the expense of the Government of India, have changed so as to warrant the idea of selling same or of leasing them to a British Company. The Standing Finance Committee of the Legislature in India would be the proper party to examine the circumstances and find out whether it is advisable or necessary to sell or lease a Department, which is remunerative to the Government of India. This question further involves various agreements with the Persian Government. Until they are completely clear and until other relevant points are gone into with considerable thoroughness, I hesitate to agree with my colleagues in their recommendation to sell this concern.

8. I agree with my colleagues regarding their proposals for retrenchment

PURSHOTAMDAS THAKURDAS.

DELHI ;

*The 6th February 1923.*

## IRRIGATION.

The estimates for expenditure and receipts in 1922-23 compare with the revised estimates for 1921-22 and the actual expenditure and receipts in 1913-14 as follows :—

	Expenditure.	Receipts.
	Rs.	Rs.
1913-14, Actuals ...	14,70,000	10,14,000
1921-22, Revised Estimate	27,11,000	19,86,000
1922-23, Budget Estimate	24,06,000	20,09,000

2. The expenditure is subdivided under the main heads shown below :—

	1913-14.	1921-22.	1922-23.
	Rs.	Rs.	Rs.
Working expenses... ..	4,23,000	12,97,000	13,02,000
Interest on debt for which capital accounts are kept ... ..	6,51,000	9,39,000.	9,51,000
Other revenue expenditure ... ..	83,000	1,37,000	1,18,000
Construction of irrigation works from revenue ... ..	3,13,000	3,38,000	35,000
<b>Total ...</b>	<b>14,70,000</b>	<b>27,11,000</b>	<b>24,06,000</b>

3. Irrigation is a provincial subject and the above figures relate solely irrigation works in areas under the jurisdiction of the Central Government. The more important of these are the irrigation canals situated in the North-West Frontier Province, the particulars of which are given in the following table :—

Name of Canal.	ESTIMATES FOR 1922-23.		
	Capital outlay to end of year.	Gross receipts.	Working expenses.
	Rs.	Rs.	Rs.
Upper Swat Canal ...	2,19,53,000	9,92,000	7,38,000
Lower Swat Canal ...	42,91,000	7,93,000	1,89,000
Kabul River Canal ...	12,82,000	2,00,000	88,000
Paharpur Canal ...	9,21,000	31,000	71,000
<b>Total ...</b>	<b>2,84,47,000</b>	<b>20,86,000</b>	<b>10,86,000</b>



4. The large increase under the head of working expenses from Rs. 4,23,000 in 1913-14 to Rs. 13,02,000 estimated for 1922-23 (*vide* the table in paragraph 2) is mainly due to the fact that the Upper Swat Canal was only opened for irrigation in an incomplete state in 1913-14. This project has failed as a productive work, the net receipts being insufficient to cover the interest charges, but it is said to have had a valuable civilising influence on the tribes of the Upper Swat. The Lower Swat and Kabul River Canals are both useful and remunerative works, but the results of the Paharpur Canal have been disappointing and the average annual loss on the working of this canal has been Rs. 27,000. It has now been decided to abandon about 20 miles of the lower part of the canal, the control of the remainder being transferred to the district authorities, and it is expected that maintenance charges will be reduced and the canal will pay its way. We are informed that, as the result of the establishment of irrigation on the Upper Swat and the transfer of the Paharpur Canal, it will shortly be possible to close down one out of three irrigation divisions and to effect a reduction of about Rs. 40,000 in establishment charges.

5. The balance of the outlay under "Working expenses" and under "Other revenue expenditure" is incurred on minor works in Baluchistan, Ajmer and elsewhere.

6. It is anticipated that the receipts from Irrigation in 1923-24 will amount to Rs. 21,94,000, and the expenditure to Rs. 22,28,000, the deficit under this head being thus reduced to Rs. 34,000.

7. *Capital expenditure not charged to revenue.*—It is anticipated that 1,30,000 only will be required for 1923-24 compared with a provision of Rs. 2,69,000 in the budget for 1922-23. This expenditure is required for small improvements and extension of existing works and we made no recommendation.

### CONCLUSION.

A reduction of Rs. 1,78,000 is anticipated in 1923-24 in the expenditure on irrigation and we recommend that the closing down of one irrigation division be expedited, and a further saving of Rs. 40,000 effected, giving a total reduction of Rs. 2,18,000.

## PART IV.

### GENERAL ADMINISTRATION.

The estimate for 1922-23, including a supplementary estimate for Rs. 2,76,000, compares with the revised estimate for 1921-22 and the actual expenditure for 1913-14 as follows :—

	Rs.
1913-14, Actual Expenditure	... 1,05,22,000
1921-22, Revised Estimate	... 1,90,22,000
1922-23, Budget Estimate	... 1,98,57,000

2. This expenditure is subdivided under the main heads shown below :—

	1913-14.	1921-22.	1922-23.
	Rs.	Rs.	Rs.
Governor-General and Staff	10,63,000	12,25,000	12,82,800
Executive Council ..	5,50,000	5,40,000	5,33,000
Legislative Bodies ..	1,71,000	7,00,000	8,50,000
Secretariat ..	34,05,000	64,52,000	70,31,400
Attached Officers ..	5,04,000	10,51,000	11,34,800
Payments to Local Govern- ments ..	..	50,000	44,000
Expenditure in Minor Ad- ministrations ..	9,02,000	21,13,000	22,12,000
Deduct Lump cut made by Assembly ..	..	..	5,44,000
Add Supplementary Grant	..	..	2,76,000
	65,95,000	1,21,31,000	1,28,20,000
Expenditure in England at Rs. 15=£1 ..	39,27,000	68,91,000	70,37,000
	1,05,22,000	1,90,22,000	1,98,57,000

We now deal with the various main heads under which the account is divided.

#### GOVERNOR-GENERAL AND STAFF.

	Rs.
1913-14, Actual Expenditure	10,03,000
1921-22, Revised Estimate ..	12,25,000
1922-23, Budget Estimate ..	12,82,000

3. In addition to expenditure included in the civil estimates the following expenditure in connection with His Excellency the Viceroy's establishments was borne on the military estimates for 1922-23 :—

			Ra.
Band establishments	...	...	1,22,000
Bodyguard	...	...	2,24,000
Personal staff (including Military Secretary)			90,000

His Excellency the Viceroy has informed us that, in view of the present financial situation, he has given instructions to reduce the estimate for his bodyguard by Ra. 40,000 and for his band by Ra. 42,000, thus saving Ra. 82,000 compared with the budget grants for 1922-23.

#### EXECUTIVE COUNCIL.

			Ra.
1913-14, Actual Expenditure	...	...	5,50,000
1921-22, Revised Estimate	...	...	5,40,000
1922-23, Budget Estimate	...	...	5,33,000

4. This expenditure includes the salaries of Members of the Executive Council and their actual travelling expenses. The Bengal Retrenchment Committee, of which our colleague Sir Rajendra Nath Mukerjee was Chairman, has suggested that Indian Members of the Bengal Executive Council might well receive a third less salary than the European Members as the latter have greater expenses to meet, being away from their homes.

Our colleague thinks the recommendation of the Bengal Committee might be equally applied to the Executive Council of the Governor-General and at his request we draw attention to the subject.

We are informed that, in the case of the residences allotted to the members of the Executive Council in Simla, the uniform fixed rent charged is not in all cases on an economic basis and that there is a loss also incurred in respect of houses occupied by them in Delhi. We understand that the question of revising these rents is under consideration.

#### LEGISLATIVE BODIES.

			Ra.
1913-14, Actual Expenditure	...	...	1,71,000
1921-22, Revised Estimate	...	...	7,00,000
1922-23, Budget Estimate	...	...	8,50,000

5. The large increase which has taken place in expenditure since 1913-14 is due to the appointment of full-time Presidents, the expansion of the Councils, the longer sittings held under the reformed constitution, and the grant of more liberal allowances to members present in Delhi and Simla. The bulk of the increase is inevitable, but we feel that the matter of reduction or otherwise in travelling and other allowances is one that should be left to the Legislature, whose Members for the most part, it must be borne in mind, are unpaid.

# SECRETARIAT.

	Rs.
1913-14, Actual Expenditure	... 34,05,000
1921-22, Revised Estimate	... 64,52,000
1922-23, Budget Estimate	... 70,31,000

6. This expenditure is sub-divided among the various departments as follows :—

	1913-14.	1921-22.	1922-23.
	Rs.	Rs.	Rs.
Foreign and Political	... 7,16,900	10,40,500	10,42,900
Home	... 3,24,400	6,61,400	6,41,800
Legislative	... 2,27,100	6,56,200	8,07,900
Education and Health	... 2,73,900	4,36,200	4,70,700
Finance (Ordinary)	... 4,10,200	6,74,500	6,91,200
Finance (Military)	... 1,55,900	6,05,800	6,44,100
Revenue and Agriculture	2,44,800	3,31,900	4,35,800
Commerce	... }	4,98,600	4,89,300
Industries	... }	5,10,000	5,90,400
Army	... 3,84,600	6,19,900	7,34,600
Public Works	... 3,21,100	4,17,000	4,82,700
<b>TOTAL</b>	<b>... 34,05,000</b>	<b>64,52,000</b>	<b>70,31,400</b>

An endeavour was made to meet the lump cut of Rs. 5,44,000 made by the Legislative Assembly under the head of "General Administration" by savings in the individual Secretariat departments and the attached offices, and these departments and offices in consequence have reduced their estimated expenditure for the current year to about Rs. 4,31,000 below their original budget demand as set out above and in the subsequent table for attached offices. The nature of the reductions effected will be referred to under the head of the

department concerned. A supplementary grant of Rs. 2,76,000 was however necessary as the reductions made were less than the cut required, and moreover, additional staff was necessary for preliminary work done in India for the Retrenchment Committee and some expenditure was required for publicity propaganda work undertaken in the provinces on behalf of the Central Government.

7. Attention has been drawn both in the Legislature and the press to the fact that the allocation of business among departments has not been modified to meet the altered relations between the Central Government and the Provinces as a result of the Reforms and that in many cases the Secretariat of the Central Government is being maintained at its pre-reform standard and, in the case of some departments, augmented. Education, medical administration, agriculture, veterinary services and industries are now transferred subjects under the Devolution Rules, and in consequence, the occasions for the exercise by the Central Government of its powers of superintendence, direction and control in respect of such subjects, except in so far as they affect the minor administrations, that is to say the administrations which still remain directly under the control of the Central Government, have now been greatly reduced. We are chiefly concerned with the matter from the point of view of the economies which could be effected by a re-grouping of the departments and a redistribution of work consistently with the principles underlying the Reforms scheme and we shall revert to this question shortly, after we have considered the expenditure of the individual departments as at present constituted. We shall first, however, refer briefly to a few general matters which affect all departments.

8. The question of pay of establishments generally including those of the superior staff is dealt with under Pay and Allowances. As regards the superior clerical establishment, we think that the pay, though liberal, is not excessive in view of the responsible character of the work done and the qualifications required. We are informed, however, that the lower division clerks doing work of a routine character can attain a maximum pay of Rs. 350 per mensem, a very high rate compared with that prevailing in Provincial Secretariats; for example in the Punjab the corresponding maximum is Rs. 150 a month. We recommend that for future recruits the rates should be substantially reduced, and that where present incumbents are not qualified for more responsible work their promotion should be stopped at the existing efficiency bar.

9. We understand that considerable reductions have been made by the various departments during the current year in their expenditure on contingencies, supplies, travelling allowances, telegrams,

etc., in order to meet the lump cut made by the Assembly. It would appear, therefore, that there was considerable scope for economy in this direction and we recommend that this class of expenditure should be carefully scrutinised with a view to its further reduction. Thus, we understand that there are at present some 1,200 peons in the Government of India Secretariat and attached offices, a number based on a liberal scale fixed when the cost of persons was much lower and when telephonic and other communications were very limited. It is understood that a reduction of 25 per cent. in numbers has been suggested which would save Rs. 75,000 without serious inconvenience, and we recommend that this reduction should be given effect to and also that the present clothing scale should be examined. We have, in dealing with individual departments, taken into account economies of the kind referred to in this and the two following paragraphs.

10. The cost of the telegrams despatched by the departments during 1921-22 was approximately Rs. 3,33,000, the heaviest expenditure being incurred by the Foreign and Political Department (Rs. 1,35,000), the Army Department (Rs. 60,000), and the Home Department (Rs. 54,000). Part of the increase which has taken place since 1913-14 is due to increased rates, but we are of the opinion that a large curtailment in the number and length of telegrams could be effected without any loss of efficiency. We recommend that the provision for 1923-24 should be materially reduced.

11. We are informed that the present annual cost of the Delhi-Simla move is approximately Rs. 3,87,000, apart from incidental cost on account of Raisina conveyance charges, house rent and separation allowance. We think a substantial reduction should be effected by restricting the number of officers and the amount of establishment and records moved down from Simla.

We now deal individually with the expenditure of the existing departments.

12. *Foreign and Political Department—*

		Rs.
1913-14, Actual Expenditure	...	7,16,900
1921-22, Revised Estimate	...	10,40,500
1922-23, Budget Estimate	...	10,42,900

This department has proposed savings of about Rs. 47,000 for 1923-24. The clerical establishment has increased from 102 before

the war to 103 at the present time. We have ascertained that the ratio of clerks to receipts and issues is high and we consider that establishment should be reduced to pre-war numbers, saving a further Rs. 50,000. The expenditure in the current year's budget contingencies, Rs. 1,64,000, includes Rs. 1,00,000 for postage and telegrams which we consider excessive; we think the total expenditure on contingencies for 1923-24 should be reduced by about one-third, or say Rs. 50,000. The total reduction which we recommend together with the saving proposed by the department is therefore Rs. 1,47,000.

### 13. *Home Department—*

1913-14, Actual Expenditure	...	3,24,000
1921-22, Revised Estimate	...	6,61,400
1922-23, Budget Estimate	...	6,41,800

Savings of about Rs. 42,000 will be effected by reductions proposed by the department: Though no large further savings can be secured, owing to the increase of work as the result of the Reforms, economies saving about Rs. 25,000 can we think be made by reducing the number of peons and the expenditure on contingencies, travelling allowances, etc.

The appointment of Inspector of Office Procedure, costing Rs. 30,000, was created on the recommendation of the Llewellyn Smith Committee to re-organise office procedure in the Secretariat with a view to greater efficiency and economy. We understand that very little has so far been done in this direction, the officer having been diverted to miscellaneous duties. We have had evidence that the present procedure is in many ways defective and that both economy and expedition could be secured by more business-like methods of disposal of receipts and in other ways. We consider, however, that this matter should be taken up by the heads of the departments concerned in giving effect to our present recommendations, and that subsequently, after a reasonable period, an officer of the Finance Department should be deputed to examine the arrangements in force and the possibilities of effecting further economies in staff and other office expenditure. If this course is adopted the continuance of the appointment of Inspector of Office Procedure under the Home Department will be unnecessary. Its abolition will secure a saving of Rs. 30,000, and we recommend that the budget for 1923-24 should be fixed at Rs. 5,45,000, saving Rs. 97,000, including Rs. 42,000 proposed by the department.

**14. Legislative Department—**

	Rs.
1913-14, Actual Expenditure	2,27,100
1921-22, Revised Estimate ..	6,56,000
1922-23, Budget Estimate ..	8,07,900

The establishment of this department has increased since 1913-14 as follows :—

	1913-14.	1922-23.
Administrative staff .. ..	3	10
Clerical .. ..	32	93
Servants .. ..	62	100
<b>TOTAL ..</b>	<b>97</b>	<b>203</b>

The Department attributes to increased work connected with the Reformed Councils no less than Rs. 3,67,000 of the increase in cost which has taken place. We consider, however, that the present staff, especially the superior staff, is excessive, comprising as it does one Secretary, two Joint Secretaries, two Deputy Secretaries, two Officers on Special Duty, one Solicitor and two Assistant Solicitors. We recommend that a Deputy Secretary should be dispensed with, saving Rs. 24,000. The Peace Treaty Branch and Local Clearing Office are temporary organisations arising out of the war, and, though the duties attaching to them are likely to continue for some time we consider that they should be amalgamated and one of the two officers dispensed with, saving approximately Rs. 20,000. As for the Solicitors' branch, we understand that a vacancy is likely to occur within a year; occasion should then be taken to reduce the appointments to two, saving Rs. 15,000. Allowing for the abolition of these appointments, for a saving of Rs. 41,000 already effected by the department to meet the lump cut made by the Assembly, and for general reductions in peons, temporary establishment and other contingencies, we recommend that the budget for 1923-24 be fixed at Rs. 7,00,000, saving about Rs. 1,08,000.

**15. Department of Education and Health—**

	Rs.
1913-14, Actual Expenditure ..	2,73,900
1921-22, Revised Estimate ..	4,36,200
1922-23, Budget Estimate ..	4,70,700



In view of the essential modification of the position of the Central Government *vis-a-vis* the Provinces under the Reforms Scheme in respect of education and medical administration, which are now transferred subjects over which the Government of India exercise a very limited control, we do not consider that there is any justification for the retention of the Educational Commissioner, the Bureau of Education, or the Central Advisory Board, costing about Rs. 1,00,000 or, indeed, for the continuance of the department as a separate entity. We are informed that savings of Rs. 17,000 have been effected in the current year by the abolition of the Bureau of Education and other minor economies, but we feel that the department is overstaffed for the duties which it has to perform. We deal further with the matter in considering the larger economies to be obtained by re-grouping departments.

16. *Finance Department (Ordinary Branch)*—

		Rs.
1913-14, Actual Expenditure	..	4,10,200
1921-22, Revised Estimate	..	6,74,500
1922-23, Budget Estimate	..	6,91,200

This department has already effected reductions of Rs. 35,000 to meet the cut made by the Legislative Assembly and of Rs. 57,000 by the abolition of a post of Joint Secretary, by the amalgamation of two branches and by other economies, or, in all, Rs. 92,600. Allowing for further reductions in the number of peons which it may be possible to make, and in the cost of telegrams, etc., we recommend that the budget for 1923-24 should be fixed at Rs. 5,90,000, a saving, including what the department has already effected, of Rs. 1,01,200 compared with the original demand for 1922-23.

17. *Finance Department (Military Finance Branch)*—

		Rs.
1913-14, Actual Expenditure	..	1,55,900
1921-22, Revised Estimate	..	6,05,800
1922-23, Budget Estimate	..	6,44,100

This department has been greatly expanded since 1913-14 with the object of securing effective check over expenditure throughout the intricate organisation of the Army in India. With a contraction of the activities of the various administrative services of the Army it should be possible to effect a material reduction in these Headquarter charges. The Financial Adviser has surrendered Rs. 44,000 to meet the lump cut made by the Assembly, but we

consider that further reductions in clerical and menial staff and in contingencies, etc., should be made. Ultimately a much larger reduction should be possible and, while we recognise that a considerable amount of temporary work may result if our recommendations in respect of army administration are given effect to, the question of further economies should be kept steadily in view. In these circumstances we recommend that the budget for 1923-24 should not exceed Rs. 5,75,000, a saving of Rs. 69,000 on the original demand for 1922-23.

18. *Revenue and Agriculture Department :-*

	Rs.
1913-14, Actual Expenditure ...	2,44,800
1921-22, Revised Estimate ...	3,41,900
1922-23, Budget Estimate ...	4,35,800

The department has effected a reduction of Rs. 24,000 in its original demand for 1922-23, but in view of the modified relations between the Government of India and the Local Governments under the Reforms Scheme in respect of land revenue, agriculture, civil veterinary and forests with which this department deals, we consider that there is no justification for its retention as a separate department. We deal with this question later in paragraphs 22—24.

19. *Commerce and Industries Departments :-*

	Commerce Department	Industries Department	Total
	Rs.	Rs.	Rs.
1913-14, Actual Expenditure	3,46,100	..	3,46,100
1921-22, Revised Estimate	4,98,600	5,10,000	10,08,600
1922-23, Budget Estimate	4,89,300	5,90,400	10,79,700

In 1913-14 Commerce and Industries formed a single department. The subjects dealt with included posts and telegraphs and external emigration which have since been transferred to the Public Works and the Revenue and Agriculture Departments respectively. In 1917 to meet war requirements, the Munitions Board was created, which, when the war came to an end, was converted into the Board of Industries and Munitions. In 1921, no Munitions Board being required, the Board of Industries and Munitions was converted into a separate Department of Industries. It is doubtful whether at that time sufficient regard was had to the fact that, under the Reforms

Scheme, the development of industries had been classified as a provincial transferred subject, save in cases where such development by central authority is declared, by order of the Governor General in Council made after consultation with the Local Governments concerned, to be expedient in the public interest. We understand that no such declaration has ever been made in respect of any industry. The following table shows the increase in the administrative and clerical staff (including temporary staff) since 1913-14 which has resulted from the separation of the departments :—

	1st APRIL 1914	1st APRIL 1922 -----		
	Commerce & Industry	Commerce	Industries	Total
Administrative staff	4	4	7	11
Clerical staff	65	70	74	144

The more important subjects now dealt with by the Commerce Department are foreign trade, Merchant Shipping Act, ports and harbours, customs, etc. There is little prospect of diminution of work except by delegation, and we believe that, in present conditions, great advantages could be secured by freeing the Secretariat proper from the functions of detailed administrative control exercised by it in the past. In the United Kingdom and the United States, Customs are administered by the Treasury, and the Tariff in the former country by the Board of Trade and in the latter by the Tariff Commissioner and the Department of Commerce. We consider that a similar arrangement should be adopted in India and we recommend that the scope of the present Board of Inland Revenue under the Finance Department be enlarged to include Customs, Salt, Opium and also Excise and Stamps so far as the Central Government is concerned with these subjects. Tariff would be administered by the Department responsible for Commerce as at present. This proposal should make it possible to eliminate a large amount of work in the Secretariat, and, though the saving effected in the Secretariat budget might be less than the cost of the new appointment, the balance will be more than covered by economies in other directions. For example, the fact that the Board will be the appellate authority for all customs matters should make it feasible to abolish the post of the Commissioner of Customs at Bombay costing Rs. 47,000 annually and also

obviate claims which are now being put forward by other Local Governments for work done by their Boards of Revenue or Secretariat.

The so-called Industries Department at present administers Geology, Mines, Salt, the Explosives and Petroleum Acts, Stationery and Printing, Patents and Designs, Factory and Labour legislation, Steam boilers, Stores and other minor matters, and any industries which the Governor General in Council may order it to deal with. As mentioned in paragraph 19, no such order has yet been passed. We consider that the work done by the Industrial Intelligence Section and the Labour Bureau could be discontinued without serious inconvenience. It is represented that a certain amount of labour and other legislation is pending in the immediate future, but this could, in our opinion, be more appropriately arranged for by placing an officer temporarily on special duty than by making permanent additions to the establishment.

We revert later to the future organisation and cost of these departments, but it may be noted that the Commerce Department made a reduction of Rs. 15,000 and the Industries Department of Rs. 25,000 in the original demands for 1922-23 to meet the cut made by the Assembly.

20. *Army Department—*

		Rs.
1913 14, Actual Expenditure	...	3,84,600
1921-22, Revised Estimate	...	6,19,900
1922-23, Budget Estimate	...	7,34,600

The establishment entertained by the Army Department has expanded as shown in the following comparative figures for administrative and clerical staff :—

		1st April 1914.	1st April 1922.
Permanent	...	64	62
Temporary	...	10	52

74

114

We are informed that the present strength of the department is only eight less than it was during the climax of the war. Expansion during the war was no doubt inevitable, but we consider with a return to normal considerations an early reduction of establishments to pre-war level should be effected. This may not be immediately possible in view of the temporary work which will probably

result if our recommendations in respect of Army administration are given effect to, but we recommend that the establishments be thereafter reviewed with the object of very largely reducing the annual cost of the department. The department has already effected economies of Rs. 40,000, but we think that further reductions should be possible, e.g., in the marine, establishment and army list sections, as also in the cost of peons and telegrams, the provision for postage and telegrams being Rs. 50,000, and that the total budget for 1923-24 should not exceed Rs. 6,50,000, saving Rs. 84,000 including Rs. 40,000 already surrendered by the department.

21. *Public Works Department—*

	Rs.
1913-14, Actual Expenditure	... 3,21,100
1921-22, Revised Estimate	... 4,17,100
1922-23, Budget Estimate ...	... 4,82,700

Public Works in the Major Provinces is a provincial transferred subject, while irrigation, with which this department also deals, is a provincial reserved subject in regard to which the powers of the Provinces have been largely increased. We do not consider that a separate department of the Government of India is, in the circumstances, required to deal with such questions as concern that Government. We understand that a large amount of the work at present transacted by the department consists of "estate" work in connection with the properties of the Government of India in Delhi and Simla, the allotment of houses, etc., which could more appropriately be dealt with by local administrative officers than by a department of the Secretariat. A branch of the department deals with Posts and Telegraphs administration, which we propose should be placed under the Communications Department.

22. *Proposals for re-allocation of business among Departments—*

For the reasons already given we consider that the present number of departments is excessive and that substantial economies will be secured by a redistribution of work. The Acworth Committee recommended that there should be a Member of Council in charge of Communications whose portfolio should comprise Railways, Ports and Inland Navigation, Road Transport, so far as it is under the control of the Government of India, and Posts and Telegraphs. We are informed that no conclusion has so far been reached on this proposal, which will require some slight modification in detail, as under the Reforms Scheme roads are a provincial reserved subject. Assuming, however, that the principle is adopted and that the

Railways and Posts and Telegraphs are put under one Member of Council, we recommend that the remaining subjects now dealt with by five of the existing departments,\* should be concentrated in two departments. In making this recommendation, we have taken into consideration the transfer of the important heads of Customs, Salt, etc., to the control of the Board of Revenue under the Finance Department. If this arrangement is adopted, we suggest that the distribution of subjects among the reconstituted departments should be as follows :—

Commerce Department.	Communications Department.	General Department.
Shipping and connected subjects.	Railways.	Land Revenue.
Trade and commerce including tariffs and merchandise marks.	Posts & Telegraphs	Civil Veterinary.
Import and export regulations.		Agriculture.
Statistics.		Forests.
Labour legislation.		Central Institutes of Research in the above subjects.
Inter-provincial migration.		Botanical Survey.
Factories Act.		Famine.
International labour organisation.		Control of foodstuffs.
Petroleum and Explosives Acts.		Public Works.
Patents, designs and copy-right.		Irrigation.
Legislation in relation to steam boilers and electricity.		External emigration.
Life Assurance.		Survey of India.
Actuarial work.		Medical Services and Public Health.
Stores.		Zoology.
Geology and Minerals.		Education.
Printing and Stationery		Libraries and Records
Civil Aviation, and possibly, Meteorology		Census.
Development of Industries so far as declared central.		Archæology.
		Museums.
		Local Self-Government.
		Ecclesiastical matters

23. Railways and Posts and Telegraphs, would, under our proposal, form separate departments under one Member of Council. We consider that the detailed examination by the Secretariat of the proposals made by the Director-General of Posts and Telegraphs can be eliminated as at present is the case with the Railways, and that the Heads of the two departments should be empowered to submit direct to the Member of Council matters requiring the orders of the Government of India, and to issue orders on behalf of Government on proper sanction being obtained, the present regulations being amended, as may be necessary for the purpose. In view of the fact that the functions of the Member in charge would be limited to two departments only, he would be able to represent both the departments in the Assembly and thus leave the heads of the departments more freedom for the performance of their legitimate administrative duties which we consider extremely desirable.

24. If our proposals are adopted we consider that it should be possible to limit the cost of each of the two reconstituted departments to not more than Rs. 6 or 6½ lakhs a year. Under this arrangement the total cost of the Secretariat would compare as follows with the provision made in the current year (assuming for the purpose of simplifying calculations that the whole of the lump sum and supplementary grant related to the Secretariat) :—

Existing Departments.	Original Estimates for 1922-23.	Suggested Departments.	Proposed Expenditure in 1923-24.
	Rs.	Rs.	Rs.
Foreign and Political	...	...	8,95,000
Home	...	...	5,45,000
Legislative	...	...	7,00,000
Finance (Ordinary)	...	...	5,90,000
Finance (Military)	...	...	5,75,000
Army	...	...	6,50,000
Education and Health	4,70,700	Commerce	...
Revenue and Agriculture	4,35,800	General	...
Commerce	4,89,300		13,00,000
Industries	5,90,400		...
Public Works	4,82,700		52,55,000
Total original estimate for 1923-23	...	Expansion of Board of	...
Deduct lump out made by the Assembly	...	Revenue and staff	1,00,000
			...
		TOTAL	55,55,000
Add supplementary grant	...	Proposed saving	14,08,400
			...
		TOTAL	67,62,400



Even allowing for the proposed expansion of the Board of Revenue there will be, under our proposals, an annual saving of Rs. 14,08,400; and we believe that, by a redistribution of subjects on the lines, which we have indicated, this can be readily secured.

#### ATTACHED OFFICES.

		Rs.		
1913-14, Actual Expenditure	...	5,04,000		
1921-22, Revised Estimate	...	10,51,000		
1923-24, Budget Estimate	...	11,34,800		
25. This expenditure is sub-divided as follows :—				
—		1913-14	1921-22	1922-23
		Rs.	Rs.	Rs.
Staff Selection Board	...	Nil	22,000	22,800
Information Bureau	...	Nil	89,000	1,02,300
Central Intelligence Dept.	...	3,67,000	7,55,300	8,08,000
Keeper of the Records	...	73,800	96,400	1,15,200
Translation Department	...	8,500	8,000	8,100
Inspector-General, Irrigation		54,700	80,300	78,400
TOTAL	...	5,04,000	10,51,000	11,34,800

#### 26. Staff Selection Board—

		Rs.	
1913-14,		Nil	
1921-22, Revised Estimate	...	...	22,000
1922-23, Budget Estimate	...	...	22,800

The gross cost of the Board in the current year is now estimated at Rs. 27,000, and receipts from examination fees at Rs. 16,730. Next year there is unlikely to be any examination, but it is proposed to provide Rs. 9,500 in the budget to meet possible requirements, saving Rs. 13,300. It is probably desirable that there should be an institution of this sort to recruit for the Secretariat, but when the Board again fully functions, an endeavour should be made to render it entirely self-supporting.

#### 27. Central Bureau of Information—

		Rs.	
1913-14,		Nil	
1921-22, Revised Estimate	...	...	89,000
1922-23, Budget Estimate	...	...	1,02,300

Since the budget was passed, extra allotments aggregating Rs. 78,000 over the budget estimates of 1922-23 have been made. The Bureau has only been sanctioned on a temporary footing and we make no recommendation.

28. *Central Intelligence Bureau—*

		Rs.
1913-14, Actual Expenditure	...	3,67,000
1921-22, Revised Estimate...	...	7,55,300
1922-23, Budget Estimate ...	...	8,08,000

The cost of the main Bureau in the current year was estimated at Rs. 6,65,000. Reductions of Rs. 1,20,000 have already been given effect to and further savings will be made next year, resulting in a total saving of Rs. 1,58,000. The Finger Print Bureau costing Rs. 84,000 and the Questioned Documents Section costing Rs. 59,000 are, we understand, maintained largely in the interests of the Provinces. We are informed that most of the Local Governments are not willing to contribute towards the cost of these branches and we think that if arrangements cannot be made to recover the full cost of their services they should be abolished, saving a further Rs. 1,43,000, or Rs. 3,01,000 in all.

29. *Keeper of the Records of the Government of India—*

		Rs.
1913-14, Actual Expenditure	...	73,800
1921-22, Revised Estimate	...	96,400
1922-23, Budget Estimate ...	...	1,15,200

A small reduction has been made in the staff, saving Rs. 2,000 we do not recommend further reductions for the present, as it is proposed to employ the staff for the elimination of useless records, which will have the advantage of setting free valuable accommodation in Calcutta. The intention is to move the remaining records to Delhi when accommodation can be provided there, and a considerable further reduction in expenditure should then be possible. In the meantime steps should be taken to see that the work of elimination is speeded up so that the staff may be reduced and the accommodation freed as soon as possible.

30. *Inspector-General of Irrigation—*

		Rs.
1913-14, Actual Expenditure	...	54,700
1921-22, Revised Estimate	...	80,300
1922-23, Budget Estimate	...	78,400

We understand that a saving of Rs. 29,000 has already been effected mainly by the abolition of the appointment of Assistant Inspector General. We do not think, however, that the continuance of a full-time appointment of Inspector-General is justified now that irrigation is a provincial subject, over which the Local Governments exercise larger powers. It is always open to the Government of India when they require advice on an important irrigation project, either to place an officer temporarily on special duty or to appoint a committee, obtaining the necessary officers on loan from the Provincial Governments. We recommend, therefore, that the appointment should be abolished, making the total saving Rs. 78,400.

#### PAYMENTS TO LOCAL GOVERNMENTS FOR COST OF WORK DONE IN THEIR SECRETARIATS.

	Bombay.	Madras.
	Rs.	Rs.
1913-14, Actual Expenditure ...	Nil.	Nil.
1921-22, Revised Estimate ...	20,000	30,000
1922-23, Budget Estimate ...	14,000	30,000

The payments to the Bombay Government are in respect of passport administration and are more than counterbalanced by receipts.

The Madras payments represent remuneration for duties in respect of central subjects performed by the Madras Secretariat. We understand that some reduction may be effected next year owing to the appointment of a full-time Commissioner of Income Tax. Several claims by Local Governments for substantial sums have been brought to the notice, and if these are pressed, it will be advisable for the Central Government to consider whether more economical arrangements can be made for carrying out such duties by some agency.

#### MINOR ADMINISTRATIONS.

	Rs.
1913-14, Actual Expenditure ...	9,02,000
1921-22, Revised Estimate ...	21,13,000
1922-23, Budget Estimate ...	22,12,000

32. This expenditure is sub-divided as follows :—

	1913-14	1921-22	1922-23
	Rs.	Rs.	Rs.
North-West Frontier Province	5,93,000	17,27,000	17,38,000
Delhi ... ..	1,85,000	2,61,000	3,16,000
Coorg ... ..	51,000*	..	..
Ajmer-Merwara ...	70,000	1,17,000	1,49,000
Central India ...	3,000	8,000	9,000
	9,02,000	21,13,000	22,12,000

*North-West Frontier Province.*

	Rs.
1913-14, Actual Expenditure	5,93,000
1921-22, Revised Estimate	17,27,000
1922-23, Budget Estimate	17,38,000

33. There has been a re-classification of expenditure since 1913-14 and the above figures are therefore not strictly comparable. So far as we can ascertain, the approximate expenditure in 1913-14 corresponding to the figures shown for later years was Rs. 10,53,000. The estimate for 1922-23 represents the net amount after deduction of Rs. 2 lakhs as a portion of the lump cut made by the Legislative Assembly in the estimates of this Administration. We understand that the local Retrenchment Committee appointed to examine the expenditure of the North-West Frontier Province has recommended a reduction of Rs. 2 lakhs including minor reductions already effected. We recommend that the budget for 1923-24 should not exceed the reduced estimate of the current year, namely Rs. 17,38,000.

*Delhi*

1913-14, Actual Expenditure	1,85,000
1921-22, Revised Estimate	2,61,000
1922-23, Budget Estimate	3,16,000

\*Rs. 51,000 shown against Coorg in 1913-14 represents expenditure now classified under another head.

34. We understand that a reduction of Rs. 2,000 has been effected under travelling allowances and contingencies for the Chief Commissioner's establishment and of Rs. 24,000 under district charges. We consider that the municipality should be required to pay entirely for the cost of their own Secretary, saving Rs. 6,000, a total reduction of the 1922-23 estimates of Rs. 32,000. The administration is relatively expensive for so small an area, but the constitutional position appears to require the retention of both the Chief Commissioner and the Deputy Commissioner.

*Ajmer-Merwara*

	Rs.
1913-14, Actual Expenditure .. .. .	70,000
1921-22, Revised Estimate .. .. .	1,17,000
1922-23 Budget Estimate .. .. .	1,49,000

35. It is proposed to effect economies of Rs. 8,500. We recommend that the budget for 1923-24 should not exceed Rs. 1,40,000 saving 9,000.

*Central India.*

	Rs.
1913-14, Actual Expenditure .. .. .	3,000
1921-22, Revised Estimate .. .. .	8,000
1922-23, Budget Estimate .. .. .	9,000

36. This expenditure is mainly incurred on the administration of the Manpur Pargana : this yields a revenue of Rs. 26,000 and no reduction appears to be feasible.

## EXPENDITURE IN ENGLAND

1913-14, Actual Expenditure ..	261,800
1921-22, Revised Estimate ..	459,400
1922-23, Budget Estimate ..	469,100

37. This expenditure may be sub-divided as follows :—

	1913-14	1921-22	1922-23
	£	£	£
India Office (net expenditure)	193,900	150,900	151,300
High Commissioner (net expenditure)	NIL	199,000	169,900
Management of debt	61,100	71,200	109,000
Leave allowances, etc. (incurred in respect of Indian establishment under head General Administration).	6,800	38,300	38,900
<b>Total</b>	<b>261,800</b>	<b>459,400</b>	<b>469,100</b>

The above figures represent *net* expenditure of the India Office and High Commissioner under 'General Administration' only. The following table summarises the *gross* expenditure of the two offices under the various account heads:—

	India Office	High Commissioner	Total
	£	£	£
1913-14, Actual Expenditure	206,836	Nil	206,836
1921-22, Revised Estimate	365,800	279,000	644,800
1922-23, Budget Estimate	280,400	272,900	553,300

It will be seen that the appointment of High Commissioner has very materially increased the cost of the Home Administration. It will be convenient, at this point, to refer briefly to the questions of policy which have given rise to the present division of work and which determine the incidence of cost as between the Indian revenues and the British Exchequer.

38. The appointment of a High Commissioner for India was created in 1920-21 under the provisions of section 29-A of the Govt. of India Act. The Joint Select Committee in their report on the Government of India Bill, when this was before Parliament, observed that the clause providing for this appointment "carried out the recommendation of Lord Crewe's Committee to appoint a High Commissioner for India to be paid out of Indian revenues, who will perform for India functions of agency, as distinguished from political functions, analogous to those now performed in the offices of the High Commissioners of the Dominions".

On the 1st October 1920 all duties undertaken in the India Office connected with the Store Department and the Indian Students' Department and certain minor matters were transferred to the High Commissioner, and further transfers of work were made on the 1st April 1921 and 1st April 1922.

39. Concurrently with the provision for the appointment of a High Commissioner, the Government of India Act as revised provided that "the salary of the Secretary of State shall be paid out of moneys provided by Parliament, and the salaries of his under-secretaries and any other expenses of his Department may be paid out of the revenues of India, or out of moneys provided by Parliament", and similarly, that the salaries and allowances of the members of the Council of India may be paid from either of these sources. A Committee appointed to consider the allocation of the

balance of the expenditure of the India Office, after transfer of certain of its functions to the High Commissioner, recommended that :—

- (i) the salary of the Parliamentary Under-Secretary of State as well as the salary of the Secretary of State be definitely placed on the British Parliamentary vote ;
- (ii) in the case of the remaining expenditure a distinction be drawn between the charges incidental to the political and administrative duties of the Secretary of State, acting as a Minister, and the agency business still conducted by the India Office on behalf of the Indian authorities ; and
- (iii) that under this arrangement the British Treasury be liable for (a) the salaries and expenses (and ultimately pensions) of all officials and other persons engaged in the political and administrative work of the office as distinct from the agency work, and (b) a proportionate share determined with regard to the distinction laid down in (a) of the cost of maintenance of the India Office—the exact sum payable under (a) and (b) respectively to be determined by agreement between the Secretary of State and the Treasury from time to time.

Detailed calculations to give effect to this settlement were worked out by a departmental committee which recommended that for a period of five years from the 1st of April 1920 the Treasury should make to the India Office an annual lump sum contribution which would remain constant for that period. Details of the recommendations of the Committee are given in Appendix A.

40. In pursuance of these recommendations, the salaries of the Secretary of State and Parliamentary Under-Secretary are now charged on the Parliamentary votes and a grant-in-aid in respect of the India Office is made by the Treasury. The grant-in-aid for 1920-21 was, in the first instance fixed at £72,000 on the basis of the 1920-21 estimates ; but later in the year, on the basis of a revised estimate submitted by the India Office, it was fixed at £36,000 per annum for the period 1920-21 to 1924-25.

Subsequently, in the course of 1921-22 as a result of a reduction in the rate of 'bonus' due to the fall in the cost of living, the Secretary of State in Council offered to relax the agreement to the extent of conceding to the Imperial revenues a proportionate share of any economy that could be effected in the estimates for 1922-23 as compared with the figures on which the subsidy was based. This

resulted in the grant-in-aid being reduced to £113,500, which was distributed among the main account heads as follows :—

	Gross expenditure. £	Contri- bution. £	Net expenditure. £
General Administration	252,700	101,400	151,300
Audit ..	13,700	5,800	7,900
Stationery and Printing	14,000	6,300	7,700
<b>TOTAL</b>	<b>280,400</b>	<b>113,500</b>	<b>166,900</b>

This reduction did not take fully into account the re-organisation of the establishments then contemplated in the India Office on the lines laid down for the administrative offices of the British Government. We have ascertained that, if allowance were made for this, the grant-in-aid would be fixed at a sum of £122,000, representing a saving of £8,500 to Indian revenues. The Treasury will no doubt agree to the reduction in the same way that they accepted the reduced contribution offered by the India Office as stated above.

41. We recommend in this connection that the question of expediting the transfer to the High Commissioner of the remaining agency subjects still administered by the India Office be considered with a view to effecting such transfer, if practicable, before the termination of the present settlement with the Treasury.

Under section 19-A of the Government of India Act the Secretary of State in Council has power to regulate and restrict the exercise of the powers of superintendence, direction and control vested in the Secretary of State and the Secretary of State in Council. We recommend that the Secretary of State in Council and the Government of India should examine whether any minor references which have now to be made to the Secretary of State in Council cannot be dispensed with so as to reduce work both in England and in India.

#### INDIA OFFICE

	1913-14	1921-22	1922-23
<i>India Office</i>	£	£	£
General Administration	193,900	331,600	252,700
Audit ..	7,440	16,400	13,700
Stationery and Printing	5,496	17,800	14,000
<b>TOTAL INDIA OFFICE ..</b>	<b>206,836</b>	<b>365,800</b>	<b>280,400</b>



42. *General Administration—*

The estimate for 1922-23 includes £197,200 for salaries, from which must be deducted £7,000 on account of staff transferred to the High Commissioner on the 1st April 1922.

The cost of salaries includes £61,600 for bonus based on the cost of living index figure of 100. This figure has since fallen. On the other hand, we are informed by the India Office that the re-organisation of establishments previously mentioned, will, after allowing for a fall in the bonus index to 85 at the time when this estimate was made, involve increased expenditure of £12,500 on the basis of the establishments at present authorised.

43. Exclusive of work transferred to the High Commissioner's Office, there has been an increase under salaries, including bonus, of about £86,000 or 74 per cent. of which £67,000 has occurred in the Correspondence Departments and in the Accountant-General's Department as shown by the figures below :—

		CORRESPONDENCE DEPARTMENTS		ACCOUNTANT-GENERAL'S DEPARTMENT.	
		Numbers of staff	Cost.	Numbers of staff.	Cost.
			£		£
1913-14	...	71	19,288	62	19,833
1922-23	...	152	40,526	154	46,024
Increase	...	81	40,558	92	26,191

It might have been expected that the devolution which has accompanied the Reforms would have been reflected in a substantial reduction of work, but this has apparently been set off by a large amount of initial work attendant on the introduction of the Reforms, and, in the Military and Accountant-General's Departments, by an aftermath of questions arising out of the war, including the re-organisation of the Indian Military Services, changes in regulations (in particular, pay and pension regulations), demobilisation of surplus

officers, increase in the number of pensions, etc. This work should, however, now tend to decline. The Accountant-General expects during the course of 1923-24 to effect reductions in his staff, saving approximately £6,000. We recommend that this reduction should be expedited and that the saving be given effect to in the 1923-24 budget.

We are informed that the Military Department, where the numbers have risen from 17 costing £6,378 in 1913-14 to 67 costing £ 20,000 in 1922-23, expects to be able to reduce its staff substantially in 1923-24. We recommend that these reductions, saving approximately £7,500, should be similarly expedited. Two pre-war departments, namely, 'Judicial and Public,' and 'Revenue and Statistics' with a staff of 17 costing £8,757, have since the war been expanded into three departments with a staff of 41 costing £21,655, namely 'Judicial and Public', 'Industries and Overseas', and 'Commerce and Revenue'. We consider that these departments should again be reduced to two in number and economies of not less than £5,000 effected. Considerable reductions of work are also anticipated in the Financial Departments, the number of references received having fallen from 3,229 in 1921 to 2,700 estimated for 1922. The Department is making a reduction of one officer and one clerk, but we think that, in view of the falling off in work, a reduction of not less than £3,000 on their present year's estimates should be made.

44. As regards other officers, a saving of about £1,000 will be effected by the substitution of an appointment of Assistant Under-Secretary of State for that of Controller of Finance, and we recommend that the appointment of Information Officer be abolished, saving a further £1,000.

The typing staff of the office has increased since 1913-14 from 18 costing £1,366 for a total clerical staff of 278 (excluding 96 in the Store Depot), to 70 costing £10,281 for a staff of 429 in 1922-23. We are informed that it is proposed to reduce the number to 55 which should effect a saving of approximately £2,200. The number of messengers and labourers has increased from 76 costing £7,962 before the war to 86 costing £16,703 at the present time. We consider that some reduction should be made and a further saving of £1,000 effected.

45. There has been a large increase in expenditure on tele-

grams, contingencies and miscellaneous items as shown by the following figures :—

	Telegrams to India.	Office contin- gencies.	Postage to India and Miscellane- ous.
	£	£	£
1913-14	3,900	14,800	800
1921-22	17,000	40,900	3,700
1922-23	16,000	35,000	4,500

In the case of telegrams we are informed that a large proportion of the increase is due to post-war unsettlement and may be expected to disappear with the return of more stable conditions. Thus the average of the monthly accounts paid for the first six months of the current year shows a falling off as compared with the corresponding period of the previous year from £1,300 to 900. A further saving of 40 per cent. in cost is anticipated from the introduction now taking place of new codes and ciphers. We recommend therefore that the provision should be reduced by £10,000 and the budget for 1923-24 fixed at £6,000. The increase in office contingencies in the current year is partly due to the inclusion of certain special items, *e.g.*, the repairs of the India Office which had been unduly delayed owing to the war, advertisements for the large issues of India stock which have taken place, and the increased cost of telephones. We recommend that the budget for 1923-24 should be limited to £25,000, saving £10,000.

46. If these recommendations are adopted, the total net reduction under General Administration will be £48,700 arrived at as follows :—

	£
Increase in grant-in-aid .. ..	8,500
Transfer of staff to office of High Commissioner .. ..	7,000
Accountant-General's Department .. ..	6,000
Correspondence Departments .. ..	14,500
Other establishments .. ..	5,200
Telegrams contingencies and miscellaneous .. ..	20,000
	<hr/>
	61,200
Less cost of re-organisation .. ..	12,500
	<hr/>
	48,700

We recommend that the net estimate for General Administration should be reduced from £1,51,300 to £1,02,600 for 1923-24.

47. *Audit—*

		Gross Ex- penditure.	Contribution from British Treasury.	Net Expenditure.
		£	£	£
1913-14	..	7,440	..	7,400
1921-22	..	16,400	10,200	6,200
1922-23	..	13,700	5,800	7,900

This establishment audits the accounts of the High Commissioner as well as those of the India Office and the increase in establishment from 20 in 1913-14 to 31 at the present time is attributed to increase of work both in volume and complexity. While we do not recommend any immediate reduction, the falling off of work in other sections of the office should enable a reduction to be made in the cost of this department, and we recommend that the establishment be further reviewed a year hence.

48. *Stationery and Printing—*

		Gross Expen- diture.	Contribution from British Treasury.	Net Expen- diture.
			£	
1913-14		5,496		5,496
1921-22		17,800	9,100	8,700
1922-23		14,000	6,300	7,700

There has recently been a considerable fall in prices and steps have been taken to economise both in printing and stationery. We recommend that the net budget for 1923-24 should be fixed at £5,000. This saving will accrue in the "Stationery and Printing" estimates.

## HIGH COMMISSIONER.

	1913-14.	1921-22.	1922-23.
	£	£	£
General Administration	NIL	274,000	264,900
Stationery and Printing	NIL	5,000	8,000
TOTAL HIGH COMMISSIONER	..	279,000	272,900

49. *General Administration—*

The above figures are gross figures. The net estimates for general Administration are arrived at as follows :—

	1921-22	1922-23.
	£	£
Gross Expenditure .. ..	274,000	264,900
DEDUCT surcharge for departmental expenses on—		
(a) Stores for Posts and Telegraphs and State Railways ..	65,000	70,000
(b) Stores for Provincial Governments ..	10,000	25,000
Net Expenditure ..	199,000	169,900

The High Commissioner has informed us that in his revised estimates for the current year it will be necessary to make an additional provision of £5,300 on account of transferred staff, etc. This will be more than set off by savings of £1,500 in respect of bonus, £500 for supervision of stamps, and £9,500 in the wages of labourers and other Store Department charges, the net saving thus being £6,200. In addition to this, a further reduction of £3,000 is anticipated for 1923-24. We think, however, that some further economies might be effected. In our opinion the Mechanical Transport Department costing £1,788 should be dispensed with. The total charges under supervision of stamps after the reduction of £500 mentioned, are £10,800, which, compared with the total estimated expenditure on stamps of £281,600, is high. Arrangements have now been made for the transfer to the General Post Office of the staff employed in the supervision of manufacture of stamps, and we consider that endeavour should be made under the revised arrangements to secure a further reduction.

The work of the Indian Students' Department, costing £4,400 in salaries and £4,500 for other items apart from overhead charges, is carried out entirely for Local Governments and we consider that if this work is to continue in any form, recoveries of the full amount should be made, saving £8,900.

The cost of the collection of income-tax for the Home Govt. is estimated at £1,000. We do not consider that this is a proper charge against the Indian Govt., and we understand that negotiations are in progress with a view to effecting a recovery from the Home Govt.

The expenditure on contingencies and postage and telegrams to India should be curtailed and reductions of at least £1,100 and £500 respectively effected under these heads.

The amounts of £2,000 and £16,000 in respect of the additions to the Indian Store Depot and the equipment and decoration of 46, Grosvenor Gardens, are non-recurring charges and will not appear in the next year's budget.

We understand that a proposal is at present under consideration for charging Local Governments for the work done for them

in issuing leave, pay and pensions. The proposed charge of one per cent. on the amounts disbursed appears *prima facie* to be reasonable and would yield about £10,800 per annum.

With these modifications, there would be a reduction of about £52,000 in the estimates for General Administration, and we consider that the net budget for 1923-24 should be limited to £118,000.

50. *Stationery and Printing—*

A saving of £2,000 in the budget estimate of £8,000 is expected in the current year and a similar saving should be taken under the Stationery and Printing head in 1923-24.

51. *Purchase of Stores—*

Complaints have been made to us by nearly all Departments in India of the delay entailed in complying with their indents for stores obtained from England, and examples have been given to us of the inordinate time taken to place orders after receipt of indents. These delays make it necessary for Departments to hold large stocks in excess of their immediate requirements—in many cases 1½ years' stock—and cause a great loss to Government by deterioration, cost of storage and lock-up of capital. We recommend therefore that the whole position be thoroughly reviewed by the High Commissioner in order to expedite compliance with indents.

52. On the other hand, the High Commissioner has drawn our attention to the fact that indentors frequently tie his hands by restricting him, in spite of his protests, to a particular manufacturer or source of supply. This inevitably connotes the payment of higher prices than would otherwise be necessary, and the High-Commissioner has furnished us with several instances where large sums of money have been lost both to the Central and Provincial Governments as the result of such restrictions and also by indentors conducting initial negotiations with the representatives of particular firms. These practices are greatly to be deprecated and we recommend that orders be passed strictly prohibiting them. Private communications between indentors and suppliers should also not be permitted.

53. At the request of our colleague, Mr. Dalal, we note that he took no part in our discussions regarding the India Office and the High Commissioner for India.

MANAGEMENT OF DEBT.

1913-14, Actual Expenditure	..	..	61,100
1921-22, Revised Estimate	..	..	71,200
1922-23, Budget Estimate	..	..	109,000

54. This expenditure includes, apart from the normal charges for the management of debt, certain charges for the issue of new

sterling loans and also an additional charge for the recent introduction of the transfer of India stock by deed. We are informed that it is proposed to transfer expenditure on "management of debt" to the 'interest' head where it will be more appropriately shown ; there will, therefore, be a reduction of £109,000 under the General Administration head and a corresponding increase in the estimates for 'Interest.'

#### LEAVE ALLOWANCES, ETC.

1913-14, Actual Expenditure	..	..	£ 6,800
1921-22, Revised Estimate	..	..	38,300
1922-23, Budget Estimate	..	..	38,000

55. This expenditure is dependent on the number of officers on leave and is not therefore susceptible of reduction. The increase shown under this head is partly due to a re-arrangement of the accounts.

#### CONCLUSIONS.

Having reviewed the expenditure under the head of General Administration we recommend that—

(1) the Railway Department and the Posts and Telegraphs Department be grouped in a single portfolio, that the activities of certain departments be curtailed, and the remaining subjects dealt with by them be concentrated in two departments, namely the Commerce Department and the General Department, on the lines set out in the table in paragraph 22, the total cost of the Secretariat being restricted to Rs. 53,55,000, a saving of Rs. 14,08,000.

(2) the appointment of Inspector-General of Irrigation be abolished, and the functions of the Central Intelligence Bureau curtailed, and a saving of Rs. 3,95,000 effected in the cost of the "Attached Offices";

(3) a reduction of Rs. 40,500 be made in expenditure in the Minor Administrations ;

(4) the grant-in-aid from the Treasury to the cost of the India Office be reviewed, and the net cost of that office be reduced by £48,700 under the head General Administration and by £2,700 under Stationery and Printing ;

(5) the arrangements for the purchase of stores by the High Commissioner be reviewed as indicated in paragraphs 51 and 52 ;

(6) the net cost of the High Commissioner's Office be reduced by £52,000 under General Administration and by £2,000 under Stationery and Printing ; and

(7) the Budget Estimate for 1923-24 for General Administration be limited to Rs. 1,48,68,000, a reduction of Rs. 49,89,000 including £109,000 or Rs. 16,35,000 transferred to the head Interest. This will give a net saving to the country of Rs. 33,54,000.

# APPENDIX A.

Recommendations of the Departmental Committee referred to in paragraph 39 regarding the basis of the Treasury grant-in-aid of the salaries and expenses of the India Office.

For a period of five years from 1st April 1920, the Treasury should make to the India Office an annual lump sum contribution, which would remain constant for that period and the amount of which would be equivalent to that part of the total estimated cost of the India Office for 1920-21 (less the salaries of the Secretary of State and the Parliamentary Under-Secretary of State) which is attributable to the administrative work of the Office calculated as follows :—

No.	Department.	Percentage of cost to be borne by Imperial Revenues.	Percentage of cost to be borne by India Office.	REMARKS.
(i)	Secretary of State and Parliamentary Under-Secy.	100	100	To appear directly on the vote submitted to Parliament.
(ii)	Permanent Under-Secretary.	100	100	SEE para. 32 of Crewe Committee Report.
(iii)	Assistant Under-Secretaries	100	100	
	Members of Council	100	100	
(iv)	Private Secretaries	100	100	
(v)	Resident Clerks	100	100	
(vi)	Finance Department	61·7	38·3	Includes Inspector of Equipment.
(vii)	Military Department	57·1 (4·7ths).	42·9 (3·7ths).	



No.	Department.	Percentage of cost to be borne by Imperial Revenues.	Percentage of cost to be borne by India Office.	REMARKS.
(viii)	Judicial and Public Department.	83.3	16.7	
(ix)	Political Department	(5-6ths).	(1-6th).	
(x)	Public Works Department ..	100	..	
(xi)	Revenue Department ..	95	5	
(xii)	Indo-European Telegraph Department.	75	25	
(xiii)	Government Director of Indian Railway Companies and his staff.	..	100	
(xiv)	Students' Department ..	100	..	
(xv)	Accounts Department ..	..	..	Borne out of funds in the hands of the High Commissioner for India.
(xvi)	Stores Department (excluding Depot).	8.3	91.7	
(xvii)	Records Department ..	(1-12th).	(11-12ths).	
(xviii)	Library ..	..	..	
(xix)	Legal Adviser's Department	60	40	
(xx)	Medical Adviser ..	..	100	
(xxi)	Members of Medical Board and Clerk.	25	75	
(xxii)		100	..	
		..	100	Borne out of funds in the hands of the High Commissioner for India.

(xxii)	Surveyor's Department	..	..	100	Borne out of funds in the hands of the High Commissioner for India.
(xxiii)	Auditor's Department	..	50	50	
(xxiv)	Store Depot ..	..	..	..	
(xxv)	India Office office keepers, messengers, charwomen, etc	To be divided in proportion "A" defined in the margin.			The proportion "A" is that of the total cost of items (i) to (xxiii) inclusive falling on the Treasury to the total cost of those items falling on the India Office. Borne out of funds in the hands of the High Commissioner for India.
(xxvi)	Indian Students' miscellaneous payments.	..	..	..	
(xxvii)	Law charges ..	..	..	100	
(xxviii)	Postage and telegrams to India and stationery.	Proportion "A"			Borne out of funds in the hands of the High Commissioner for India.
(xxix)	India Office rates	Proportion "A"			
(xxx)	Depot rates ..	..	..	..	
(xxxi)	Miscellaneous charges (India Office.)	Proportion "A"			Borne out of funds in the hands of the High Commissioner for India.
(xxxii)	Miscellaneous charges (Depot)	..	..	..	
(xxxiii)	Building repairs, etc.	..	..	100	

**SUPPLEMENTARY NOTE BY THE HON'BLE MR.****PURSHOTAMDAS THAKURDAS****ON INDIA OFFICE EXPENDITURE.**

1. The Welby Commission reporting in 1900 recommended a contribution of £50,000 a year by the British Treasury towards the cost of the India Office, when the total cost of the India Office (including all agency charges) amounted in the year 1897-98 to £240,000. The change in the status of India as brought about by the Government of India Act of 1919 necessitated a direct contribution by the British Treasury to the cost of the India Office, and a vote for same by Parliament. The Committee appointed to consider the Home Administration of Indian affairs in relation to the Indian Constitutional Reforms Scheme (1919) said :—

“Our main principles have already led us to distinguish the political and administrative duties of the Secretary of State, acting as a Minister, from the Agency business conducted by the India Office on behalf of the Indian authorities. It appears to follow as a general conclusion that the charges incidental to the former should be met from British revenues. They form a normal part of the cost of Imperial administration, and should in equity be treated similarly to other charges of the same nature. We include under this head the charges on account of the Advisory Committee which is constituted to assist the Secretary of State in the performance of his Ministerial responsibilities. Charges on account of agency work would naturally continue to be borne by India, in whose interests they are incurred.”

2. After the acceptance of the above main principle a Committee on which the Treasury was represented went into the details of the apportionment of the India Office charges. They recommended that, for a period of five years from 1st April 1920, the Treasury should make to the India Office an annual lump sum contribution, which would remain constant for that period and the amount of which would be equivalent to that part of the total estimated cost of the India Office for 1920-21 (less the salaries of the Secretary of State and the Parliamentary Under-Secretary of State) which is attributable to the administrative and political work of the India Office. The percentage of the cost of each Department to be borne by Imperial Revenues and by the India Office was determined for the purpose of arriving at the amount of this

contribution. At the end of five years the question was to be reconsidered on the lines of this settlement.

This recommendation was accepted by the Treasury and provision for 1920-21 was made for a grant-in-aid of £72,000, the latter figure being the agreed proportion of the actual expenditure shown in the Home Accounts of the Government of India (1919-20).

In December 1920 a revised estimate was submitted by the India Office and the grant-in-aid based on that estimate was fixed at £136,000 per annum for the period 1920-21 to 1924-25.

After this for 1922-23 and the following two years the Secretary for India in Council agreed to a reduced grant of £113,500 for the purpose of conceding to the Treasury a proportionate share of certain economies that he anticipated in the 1922-23 and subsequent estimates.

The Committee have been informed that the actual charges payable by the Treasury on the basis of the percentages agreed upon amount to £122,000 (for 1922-23) thus entailing an excess debit of £8,500 to the Government of India for that year. My colleagues have expressed a hope that the British Treasury may see their way not to take advantage of this excessive concession, which may be said to be the result of a mis-calculation by the India Office authorities. They correctly point out that the Treasury should not object to revise the agreement of December 1920 now, in the light of the actual figures, since they readily revised the previous agreement for £136,000 for a share in the benefits of anticipated economies in the India Office estimates for 1922-23 and the next two years to the British Exchequer.

3. I wish to mention one serious financial necessity, from the financial point of view, of the India Office avoiding any such lump sum settlements without previous reference to the Indian Legislature. The expenditure of the India Office not debitable to the British Treasury is a charge on the Government of India. Being still subject to the superintendence, direction and control of the Secretary of State for India, the Government of India can hardly be expected to have any effective control in the expenditure of the India Office, although such expenditure may be for work of an agency nature. If the British Treasury have to bear every year a definite proportion of the actual expenditure of the India Office they would—and indeed they could—control the expenditure of the India Office; and the Government of India would share the benefit of such control. As long as any agency work is left with the India Office the division of the expenses of various departments between the Indian Exchequer and the British

Treasury would necessarily entail the effective voice of the British Treasury in the expenditure of each such department. But the interest of the British Treasury in the economical working of the India Office practically ceases with the fixing of a grant-in-aid payable by them for a number of years. Thus the India Office are left without any controlling authority at all. Government departments all over the world show tendencies to expand rapidly and to contract much too reluctantly ; and the Secretary of State for India can hardly be expected to personally look into such details with any minuteness or thoroughness.

4. The main principle accepted by the British Treasury and Parliament would warrant no charge for the India (Secretary of State for India's) Office in London being debited to the Government of India as soon as all agency work performed by the India Office before 1919 is transferred to the High Commissioner for India in London. Not only has all work of an agency nature not still been transferred by the India Office to the High Commissioner, but the information submitted to the Committee compels me to conclude that the India Office is not likely to complete the transfer of such work for a considerable time to come. I propose to mention a few of the reasons given by the India Office for the delay that has occurred till now and is likely to continue for a long time hereafter, and to offer my observations on these reasons, and to consider how far the delay in the transfer of Agency work is avoidable. I am convinced that the distribution of work of essentially a similar nature between two offices under two distinct heads is against the best interests of the Indian Treasury.

I should here make it clear that, as the Committee had no opportunity of personally interviewing any representatives of the India Office, my remarks are based on such written material as was available—particularly on the reply of the India Office to the questionnaire submitted by the Chairman to them on behalf of the Retrenchment Committee.

5. The Committee have been informed that till November 1922 the India Office transferred functions and staff to the High Commissioner for some of the Agency work done by them till then, but that recruitment for 29 subjects is still with the India Office. Further the India Office say that—

“The establishment of the High Commissioner and the division of certain Departments entailed thereby rendered necessary a certain amount of duplication in the higher posts and that therefore it has not been and could not be expected to have been possible to reduce the staff of

the India Office by an amount of staff equal to that transferred to the High Commissioner."

The India Office have not given to the Committee any of the reasons that necessitated the delay in transferring the work of recruitment of these 29 subjects to the High Commissioner till now. They, however, propose to transfer this work shortly and I think they should easily be able to complete this by the 1st May next at the latest. When all agency work is transferred, the division of work referred to above would substantially cease and with it the duplication of posts should end.

6. The aftermath of the war and certain questions under discussion in connection with the war accounts between the India Office and the War Office, when settled, are expected to result in the reduction of staff paid for by India to a certain extent. But the India Office say that some of the increased charges since 1914 threaten to be permanent on India as a result of "fresh work and fresh problems connected with the establishment of a new normality in the financial, economic and administrative world." The India Office have not specified definitely the fresh work and fresh problems connected with the establishment of "a new normality since the war." If the fresh work entailed is of the nature of agency work it would be looked after by the High Commissioner under the instructions of the Government of India. If, as is more likely, the fresh work is of a political nature, it would form a normal part of the work of Imperial administration, and, as such it should be a charge on the British Exchequer, as correctly contemplated by the Parliamentary Committee quoted in paragraph 1. In either case it is difficult to see how the cost of the India Office to India should increase for such work.

7. The Finance Department of the India Office was split up into two Branches since 1914. The necessity for increased expenditure is said to have been perceived before 1914. The continuation of the two branches is said to be necessary in spite of the devolution of greater powers of sanctioning expenditure to the Government of India and local Governments, and it is contended that no reduction can be made in the expansion of this Department. Perhaps the devolution of financial powers sanctioned by the Government of India Act, 1919, is not likely to materialise so long as the necessary staff is available in the India Office to enforce the same detailed and meticulous control as existed before the Reforms.

8. The supply of currency notes to India used to be a part of the work of the Financial Department at the India Office. The work of receiving and shipping currency notes to India has now

been transferred to the High Commissioner, but the questions of alteration of material and pattern of notes are regarded as questions of principle too important to be entrusted to the High Commissioner. The further question of the possibility of manufacture of currency notes in India is suggested by the India Office as again being too important to make it advisable to transfer this work to the High Commissioner's staff; and this agency work is proposed to be continued for retention by the India Office.

With an experienced and capable financial authority of the high standing of the late Sir William Meyer as High Commissioner till October 1922 it is difficult to share the opinion of the India Office that questions of alteration of material and pattern of notes were such important questions of principle as could not be safely transferred to the High Commissioner between 1920 and 1922. I recommend that the whole question of the printing of currency notes whether in England or in India be forthwith examined by the Finance Department of the Government of India who would naturally utilise the services of the High Commissioner for such work as would have to be done on their behalf outside India. Until a decision is arrived at to print currency notes in India, the Finance Department of the Government of India might usefully examine not only the charges paid for printing currency notes, to the Bank of England, but also the freight charges on the same from London to India. The Committee was not able to get details of these freight charges, but I believe useful savings are possible in this direction.

9. It would seem that a very large part of the work of the India Office is connected with the pay, pensions, allowances, etc., of the members of the various Military and Imperial Services of the Government of India. The retention of a greatly increased staff is considered necessary by the India Office authorities on the ground that rules and regulations relating to Military pay, leave pay, and pension scales which have been modified during the war, or as a result of war experience are much more complicated and are certain to give rise to very numerous difficult questions. It is also asserted that the amount of work that has been necessitated by the revision of salaries and conditions of employment in the various Imperial Services is capable of realization only by those in daily touch with such work.

In the Military Department the number of staff has increased from 17 in 1913 to 67 in 1922. It is said to be very doubtful whether a reduction of more than 20 is probable before March 1914 and more than 40 ultimately. The strongest reason for the

retention of the extra staff from 1913 is said to be the reorganization of the Indian Military services, in special connection with pay and pension regulations after the war.

Regarding the Accountant-General's Branch of the India Office the staff has gone up from 62 in 1913-14 to 154 at the India Office and 69 with the High Commissioner in 1922-23. The India Office consider it impossible to reduce the staff below 127 in the near future. Although a greater desire on the part of India for detailed information since the Reforms Scheme was introduced is said to be one of the reasons, the main reason is said to be the effects of war. One of these effects, the increase in the number of pensioners, is said to endure for a generation. But no time is considered by the India Office safe to be assigned to the indirect effects of the war, such as the general disturbance of currency and exchange conditions, services reorganization and the increased complexity of pay and pensions. It is said that there will be no return to the settled routine of 1913-14 for years to come.

In 1913-14 the furlough pay of Indian Army Officers was issued only at sterling rates, pay due at rupee rates being advanced in India, and questions as to rates of exchange did not arise. Furlough pay has now to be issued at rupee rates as well as sterling rates. In certain circumstances the rupee rates change within the period of an officer's leave, and the sterling rates are said to be less simple than in 1913-14.

The British War Office have arrangements with reputable Bankers for payment of Military pay, etc. I would recommend that all work regarding payment of salaries, allowances, pensions, etc., for the Government of India in London should be offered to the Imperial Bank of India's Branch in London. There is no justification for the Secretary of State being burdened with this more or less routine clerical work. The complications in rules and regulations referred to so often by the India Office should not be beyond the grasp of a staff under the Imperial Bank, and, in all probability, transference of the work would take the necessary staff with it to the Imperial Bank from the India Office and might even lead to ultimate simplification of the rules.

10. The India Office seek to justify the splitting up of the work of the 'Judicial and Public' Department and the 'Revenue and Statistics' Department into three Departments, viz., 'Judicial and Public,' 'Industries and Overseas,' and 'Commerce and Revenue' Departments. One should have thought that the extra Departments would have ceased as soon as special circumstances arising after the war or the initial work of the Reforms Scheme was finished. But



the India Office say that "in fact it (the creation of the three Departments) took place two years after the war was over and when most of the initial work of the Reforms Scheme had been done". They justify the retention of the three Departments owing to the changed conditions following the conclusion of the war and to new subjects which have risen within the sphere of the old Departments. These subjects are said to be associated with India's membership of the League of Nations and the International Labour Organization, with her enhanced status in the British Empire (marked by her representation in the Imperial Cabinet and other meetings) and the increased interest consequently taken in the position of Indians overseas. The effect of the Reforms on the work of these Departments is also said to be very marked.

If the two Departments, 'Judicial and Public' and 'Revenue and Statistics,' suggested for retention by my colleagues are necessary for the political and administrative duties of the Secretary of State, they are a charge on the British vote. I fail to see how these Departments are necessary for the Agency work of the Government of India, for which work alone the revenues of India are liable.

11. The management of Debt in London is another item that engages the attention of the India Office. The details of the charges in the three years are as follows :—

	1913-14, Actuals.	1921-22, Revised Estimate.	1922-23, Budget.
	£	£	£
Management of sterling debt ...	52,848	52,550	58,900
Additional charges for stock transferable by deed, with arrears from 1920 ...			22,200
Charges for issue of sterling debt ...		10,550	19,750
Management of Rupee Debt... ...	8,000	8,000	8,000
Miscellaneous ... ...	243	100	150
Total ...	61,091	71,200	109,000

The charge of the Bank of England for management of sterling Debt still stands at the figure of £300 per million fixed before the war, this charge being the same as for management of the British Debt. The Committee understand that negotiations for the revision of this figure will shortly be opened between the Bank of England and the India Office since the Bank now want to charge more for Indian Debt than for British Debt, which is now much bigger than pre-war. Since the management charges were fixed, a procedure has been introduced for the transfer of India stock by deed, and an additional charge is said to be due to be accepted in view of the

extra cost entailed by the opening of new ledgers and the undertaking of extra work by the Bank. The charge for transfer by deed registers will be settled at the same time as the general question of management charges.

This is agency work pure and simple and should have been transferred to the High Commissioner's Office as soon as it was established. There is no reason to delay the transfer now. Should the Bank of England demand increased management charges I would recommend the Imperial Bank of India in London being asked to take up this work. The Committee were not able to ascertain the terms the Imperial Bank may want for this. But the Standing Finance Committee of the Legislature would be able to examine these details and decide upon the most economical course for India.

12. The different functions of Agency work referred to above should all, in my opinion, be transferred to the High Commissioner within the next twelve months at the most. I see no reason why pay and pensions due by the Government of India should not be paid by the Imperial Bank of India, or failing it, the High Commissioner on behalf of the Government of India. A single control of Agency work by servants of the Government of India, acting under the Government of India's orders, and responsible to them, can alone conduce to the maximum economy, and not a duplication of work in London as happens to go on at present. These changes should be brought about forthwith and then the India Office should cost nothing to the Indian Exchequer, on the principle laid down by the Committee quoted in paragraph 1, since the India Office would then be left with only political work, which has been approved as a fair charge on the British Revenues.

13. The Committee quoted in paragraph 1 said "The India Office building and site and other similar property paid for in the past by Indian revenues would continue to be Indian property." In the calculation of the basis for the grant to be paid by the British Treasury towards the India Office expenses, the Government of India was debited with 100 per cent. of the cost of repairs, etc., and a fixed proportion\* of the India Office rates. On the one hand Government of India have to pay the rent, rates, etc., of a building, which they have had to lease specially for the High

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\* NOTE.—India Office rates are divided in proportion "A" between the British Treasury and the Government of India, the proportion "A" being that of the total cost of 23 items falling on the Treasury to the total cost of those items falling on the India Office.

Commissioner who sits in London on their behalf. On the other, the India Office building which has been built\* and maintained out of the revenues of India is occupied by the Secretary of State who does not pay any rent for it, although the Government of India have to pay for its repairs, etc. Thus the Budget Estimate of the India Office chargeable to Indian Revenues for 1922-23 under "repairs, furniture, etc." was £8,400 as compared with an expenditure £4,665 in 1913-14, a part of the increased cost of repairs being attributed to the expenses of redecoration, which had been unduly delayed owing to the war. The revenues of India have also been debited with £16,000 for purchase on lease of "46, Grosvenor Gardens" and cost of alteration and office furniture for the High Commissioner, who could not be accommodated in the India Office building. On the broad principle accepted by the Committee of 1919 the British Exchequer should pay rent for the India Office building. The rent of a substantial and commodious building like the India Office situated in Whitehall may be a very high figure ; the least that the British Treasury could do would be to pay the rent for the premises occupied by the High Commissioner as a compensation for the proportion of space occupied in the Whitehall building by the Secretary of State for India and his establishment, for his political and administrative duties. When all agency work is transferred to the High Commissioner the India Office building would, if it were still occupied by the Secretary of State, be utilised for his Parliamentary responsibilities, and so the whole charge of the building,—*vis.*, maintenance, repairs, rates, etc., with a reasonable interest on the capital value of same—should be borne by the British Exchequer.

PURSHOTAMDAS THAKURDAS.

DELHI ;

*The 1st February 1923.*

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\* NOTE:—Between 1861 and 1870 £588,000 were spent from the Indian Revenues on the construction of the present India Office building.

## **SUMMARY RECOMMENDATIONS OF THE SUCCEEDING PARTS**

**Part V. deals with the Political expenditure. The Committee recommend that :—**

- (1) no further increase be made in the strength of the Scouts and other irregular forces on the North-West Frontier and that existing establishments be reviewed as soon as the position on the frontier is established, with a view to effecting progressive reductions in the cost of frontier defence ;**
- (2) the present arrangements for the administration of Aden and the incidence of charges be reviewed on the lines which we propose ;**
- (3) the present principles governing the incidence of expenditure in Persia be revised without delay and that India's liabilities in Persia be strictly defined and limited ;**
- (4) if the groups of States and estates in the Bombay Presidency remain with the Local Government, it be considered whether the charges cannot be transferred to provincial revenues, or, in the alternative, whether the bulk of the States and estates cannot be grouped under a single Agent to the Governor-General and the expenditure reduced to pre-war level ;**
- (5) the charges for political expenditure in Burma be provincialised ; and**
- (6) Political expenditure for 1923-24 be limited to Rs. 2,47,44,000, a saving of Rs. 45,70,000.**

### **AUDIT.**

**Part VI. deals with Civil Administrative Departments. Having reviewed the expenditure on audit, the committee recommend that—**

**(a) the possibility of separating accounts and audit be considered ; (b) the question of the further simplification of existing rules be explored ; and (c) the budget estimate for audit in 1923-24 be limited to Rs. 79,40,000, saving Rs. 3,76,000.**

### **ADMINISTRATION OF JUSTICE.**

**Having reviewed the estimates for Administration of Justice, the Committee recommend that the estimates for 1923-24 be limited to Rs. 9,68,000, saving Rs. 61, 000.**

**JAILS.**

Having reviewed the expenditure on Jails, the Committee recommend that—

- (1) when the contract for the S.S. Maharaja comes to an end, more favourable terms be secured for the service, if it is considered necessary to maintain it ; and
- (2) the budget estimate for 1923-24 be limited to Rs. 39,35,000, saving Rs. 4,80,000.

**POLICE.**

Having reviewed the expenditure on Police, the Committee recommend that the budget estimates for 1923-24 be limited to Rs. 80,83,000. This represents a reduction of Rs. 1,07,000 on the estimates for 1922-23, after deduction of the cuts made by the Assembly, but the real saving compared with the expenditure now estimated for 1922-23 is over Rs. 9 lakhs.

**PORTS & PILOTAGE**

Having reviewed the expenditure on Ports and Pilotage the Committee recommend that—

- (1) steps be taken at an early date to make the various services included under this head self-supporting ; and
- (2) the expenditure under this head in 1923-23 be limited to Rs. 24,21,000, saving Rs. 2,11,000.

**SCIENTIFIC DEPARTMENTS.**

Having reviewed the expenditure for Scientific Departments the Committee recommend that :—

- (1) the cadre of military officers in the Survey of India be progressively reduced and vacancies filled by less expensive civil agency ;
- (2) survey work required for local Governments and local bodies be undertaken on special terms to be arranged, or the number of survey parties be reduced, securing, with other economies suggested, a reduction of Rs. 709,000 in the net expenditure of the Survey of India ;
- (3) existing vacancies in the Geological Survey remain unfilled until Indian recruits are available and arrangements be made with other local Governments on the lines adopted for Burma ;
- (4) the purchase of quinine be restricted to Rs. 15,45,000 and the area to be planted annually in Mergui be reduced to 250 acres ;
- (5) the list of protected monuments and the provision for repair and maintenance of monuments and gardens be

- reduced and the provision for Archaeology restricted to Rs. 10,00,000 ; and
- (6) the total provision for 1923-24 under the head "Scientific Departments" be limited to Rs. 82,58,000, a saving of Rs. 30,02,000.

## ON EDUCATION

Having reviewed the expenditure on Education the Committee make the following general observations.—

*System of grants.*—The basis of Government grants to schools and colleges in the different administrations varies considerably.

In some cases they are based upon the rules in force in neighbouring provinces and in other cases they are assessed on the total expenditure of the individual schools, on the salaries of teachers employed, on a fixed capitation allowance, or on the difference between income and expenditure, etc.

In the North-West Frontier and Delhi Provinces grants are of three kinds :—

- (a) Capital grants for buildings, equipment, etc.
- (b) Direct maintenance grants to (1) colleges, and (2) secondary schools.
- (c) Grants to local bodies for the maintenance of vernacular and primary schools.

*Capital Grants.*—These grants are made usually on the pound per pound principle to the managers of private institutions for the erection or extension of school buildings and the purchase of school furniture.

*Direct and maintenance grants to colleges.*—These grants are usually determined in each case after consideration of the special conditions of the college and in some cases Government may subsidise a college to avoid the necessity of opening a Government college.

*Direct maintenance grants to secondary schools.*—In the North-West Frontier Province, we are informed that the grants represent the amount necessary to raise the income from fees and other sources to the minimum needed for maintaining efficiency. Supplementary and additional grants are given to encourage the managers to improve their staff and to pay them well. A standard minimum scale of staff and salaries is laid down for each class of schools, and the amount of the grant is based on the difference between what the income of the school would be from fees charged at full Government rates and the cost of the staff if paid in accordance with the standard rates. If the managers pay their

teachers more than the standard rates of pay, Government meets half the cost of the additional pay. The cost of maintenance of buildings and any deficit arising from a reduction in the rate of fees below the Government scale have to be met from private or local sources.

In Delhi, maintenance grants to secondary schools are awarded in accordance with the regulations of the Punjab Educational Code. The grants for each school consists of a capitation grant based on the average attendance of students and a staff grant to teachers holding certificates granted by the department. The total grant may not exceed three-fourths of the excess of expenditure on tuition over the income from the fees. The cost of tuition, however, includes not only the cost of the staff but also petty repairs to buildings, contingencies, etc.

*Grants to local bodies for maintenance of primary and vernacular schools.*—Primary and vernacular education is financed partly from local funds and partly from Government grants. In the North West Frontier Province 25 per cent. of each District Board's income is devoted to education, and all additional sums required for opening new schools, the enhancement of teachers' salaries, the provision of additional teachers, etc., are paid by Government. The grants to municipalities for primary education are said to be fixed in accordance with their needs after consideration of their financial circumstances. In Delhi the basis of assessment for grant-in-aid is the salaries of the teachers. Government pays two-thirds of the salaries of trained or qualified teachers in vernacular, middle and primary schools and half the salaries paid to unqualified teachers. It also pays half the expenditure on the upkeep of primary school buildings. These arrangements apply both to municipal and district board schools.

We consider that the present system under which grants are made is unsatisfactory, uneconomical, and prejudicial to the best interests of the country. In our opinion the most pressing need is the extension of primary education facilities to the greatest possible number, and it is evident that the present policy does not fulfil this fundamental requirement. We are informed that probably not more than 20 per cent. of the children of school-going age in the minor administrations are attending school, and that a large increase in expenditure is inevitable. In these circumstances there is in our opinion no justification for allocating to primary education only 33·6 per cent. of the funds available for education in the minor administrations. We recommend that, in the present financial situation of the country, the grants for higher education should be

curtailed and fixed at a lump sum for each administration for the next five years, any additional expenditure incurred being met by fees, increased grants from District Boards and Municipalities and private contributions.

We feel strongly the necessity for increasing facilities for primary education and therefore have not recommended any reduction in the amount granted for the purpose, but we recommend that in future grants should be made on a capitation basis for each school, fixed upon the average daily attendance of pupils and the number of teachers necessary to maintain a recognized standard of staffing, which we think should be fixed at not more than one teacher per 25 pupils rising in five years to one teacher per 30 pupils. We recognise, however, that this is not possible in every case where the number of pupils is not obtainable.

#### EXPENDITURE IN ENGLAND.

1913-14, Actual Expenditure	..	£- 10,400
1921-22, Revised Estimate	..	9,100
1922-23, Budget Estimate	..	9,200

This expenditure represents leave allowances and we make no recommendation.

#### CONCLUSIONS.

Having reviewed the expenditure on education the Committee recommend that:—

(1) The whole educational policy be revised, the present system of grants being modified to secure that such funds as are available are applied for the extension of primary education rather than to secondary and higher education ;

(2) Grants for secondary and higher education be curtailed and fixed at a lump sum for each administration for the next five years, any additional expenditure required being met from increased fees, increased grants from local bodies and private contributions ;

(3) Grants for primary education be fixed as far as possible on the basis of an average of one teacher per 25 pupils rising to one teacher per 30 pupils within five years ;

(4) The scheme for the Delhi University be considered ; and

(5) The budget estimate for 1923-24 for education be limited to Rs. 27,77,000, a saving of Rs. 5,19,000 on the sanctioned estimate for 1922-23 and of Rs. 7,74,000 on the estimate originally presented to the Legislative Assembly.



safeguarding this important source of revenue, the Committee recommend no further reduction.

The Committee are of opinion that the Budget Estimate for Land Revenue in 1923-24 should not exceed Rs. 11,67,000 excluding expenditure transferred to the Survey of India estimates, thereby effecting a net saving of Rs. 2,49,600 apart from any reduction made under the head of survey expenditure.

On Excise the Committee say that the reduction of Rs. 13,000 already accepted will reduce the expenditure for 1923-24 to Rs. 2,71,000 and, having regard to the importance of maintaining the revenue, the Committee do not recommend any further reduction.

Having reviewed the expenditure on Stamps the Committee recommend that :—

(1) the Minor Administrations be debited with the cost of all stamps, plain paper, etc., supplied to them ;

(2) expenditure incurred in England on indents from provincial depots be charged direct to the Provincial Accounts ;

(3) the reserve stocks of stamps in the Calcutta depot be reduced with a view to effecting a saving of Rs. 4,00,000 in 1923-24 ;

(4) the whole of the expenditure, including overhead charges incurred by the central depot be recovered and the depot be made self-supporting, the Controller being responsible for effecting recoveries ;

(5) the provision for net expenditure on stamps be reduced in 1923-24 by Rs. 25,50,000 which, after allowing for an increased debit of Rs. 3,50,000 to the Posts and Telegraphs Department, will leave a net saving of Rs. 22 lakhs in 1923-24, and Rs. 18 lakhs in future years.

Having reviewed the expenditure on Forests, the Committee recommend that—

(1) control of the Forest Department be vested in a Manager with commercial experience in the timber industry ;

(2) the accounts of the Department be placed on a commercial basis ; and

(3) the estimates for 1923 24 be limited to Rs. 45,55,000, saving Rs. 6,90,000.

#### PART VIII. OTHER DEPARTMENTS & SERVICES

On "Interests and Sinking Fund" the Committee say :—

We deal further with this question in our general conclusions but it is apparent that the heavy increase in the deadweight charges for unproductive debt must form a great burden on the

taxpayer. We have already observed in our report on Railway expenditure that further capital outlay on the huge scale contemplated on railways that are being worked at a serious loss to the State can only be justified if it can be satisfactorily shown that the net earnings of the railways to which it is applied will be increased sufficiently to cover the additional interest charge.

### ON CURRENCY, MINTS ETC

A saving of Rs. 1,33,000 is anticipated in the expenditure in India in 1923-24, but we understand that this will be set off by increased expenditure on note forms in England. We consider that if, as appears to be the case, a saving would accrue from the discontinuance of the one-rupee note, the issue of these notes should be abandoned.

Having reviewed the expenditure on the Mints the Committee recommend that—

(a) the two Mints be retained with a minimum establishment, but that an early decision be arrived at on the question of removing the Calcutta Mint to a cheaper site ;

(b) the possibility of closing the silver minting portion of the Calcutta Mint and the Nickel portion of the Bombay Mint be explored ; and

(c) the expenditure under this head in 1923-24 be limited to Rs. 18,22,000, saving Rs. 4,12,000.

Having reviewed the expenditure of the Public Works Department the Committee recommend that—

(1) the practice of calling for tenders and giving out work on inclusive contract be adopted wherever possible and establishments reduced ;

(2) reappropriation of funds be strictly limited and be subject to the surrender of savings being justified by the financial situation ; and

(3) allowing for the transfer of Rs. 6,24,000 to other heads, the budget estimate for 1923-24 be limited to Rs. 1,40,33,000, a total reduction of Rs. 21,54,000, and a net saving of Rs. 15,36,000.

### ON SUPERANNUATION ALLOWANCES & PENSIONS

There will be an automatic reduction of Rs. 6,30,000 in 1923-24 and the Committee recommend that :—

(1) an actuarial examination be made of the cost to the state of any proposals put forward in future for the revision of pension scales before these are sanctioned ; and

(2) a uniform practice of debiting commercial departments with pensionary charges be adopted.

### ON STATIONERY & PRINTING

Having reviewed the expenditure for Stationery and Printing the Committee recommend that :—

(1) the present system of Printing at Government presses be continued, but that the presses be reorganized on the lines recommended by Mr. Ascoli, and the system of costing be revised ;

(2) the introduction of the other economies suggested by Mr. Ascoli be expedited, including the reorganization of the Publication Branch ;

(3) the press employees be removed from the operation of the fundamental rules for leave purposes and placed under special leave rules ;

(4) if satisfactory tenders are not received for a new contract for printing Government forms, fresh tenders be invited for alternative periods of 3, 5, 7 and 10 years ;

(5) the forms used in the Departments of Income-tax, Customs, etc., be standardised and printed at the Central Government Press ;

(6) the stocks held at the Stationery Office be examined with a view to reduction ; and

(7) the provision for 1923-24 be limited to Rs. 65,19,000, effecting a saving of Rs. 10,37,000 in addition to any further saving that may be secured by a reduction of stocks.

On Miscellaneous head the Committee recommend that ;—

(1) large Commissions and Committees of Enquiry be appointed only in exceptional circumstances, and

(2) the provision under this head be limited to Rs. 55,15,000 saving Rs 14,03,000.

### PART IX

Part ix deals with Expenditure in the minor administration<sup>s</sup> directly under the Govt. of India. Besides recommendations made in an earlier chapter the Committee further recommend that

(a) a settlement be entered into for a period of years with the N-W-F. Province and Baluchistan and these administrations be required to work within their revenues as so fixed, and

(b) special enquiries be made locally into the cost of administration of Ajmer-Merwara, Rajputana and Central India, with a view to effecting further reductions.

## PART X

Part X deals with the expenditure on pay and allowances. The Committee recommend that—

(1) the whole question of pay and leave conditions of the subordinate services be made the subject of an enquiry in which local Administrations should be associated ;

(2) salary limits entitling officers to particular classes of rail accommodation be raised ; and

(3) the travelling allowance rules be raised on the basis that officers required to travel by rail on duty be granted the actual fare paid including a limited number of servants' fares and a daily allowance.

## PART XI.

### GENERAL OBSERVATIONS AND CONCLUSIONS.

The budget of the Government of India for 1922-23, as finally passed, left unbridged a revenue deficit of Rs 9,16,28,000. This was the fifth of a succession of deficits, amounting in the aggregate to about Rs. 100 crores, and it is now apparent that the current year's deficit will work out at a figure considerably higher than the budget estimate. The causes of these deficits are well known and it is unnecessary to restate them, but it is clear that the country cannot afford the heavy charge involved by further huge additions to the unproductive debt, and that if India is to remain solvent immediate steps must be taken to balance her budget.

2. The problem does not end here. Under the existing settlement annual contributions to the extent of Rs. 983 lakhs are (subject to a temporary remission of Rs. 63 lakhs in the case of Bengal) payable by the Provinces to the Central Government. It is contemplated that these contributions should be progressively reduced and the matter is being continually pressed by the Provinces, which are also suffering from acute financial difficulties, by their Legislatures and by the Press.

3. Since 1913-14 new taxation estimated to yield Rs. 49 crores annually has been imposed, and the extent to which it is possible to impose further burdens on the tax-payer is now very limited. While, therefore, it is evident that an improvement of something like Rs. 20 crores will have to be obtained in order to make the position secure, it is no less evident that the main source of relief must be looked for in the retrenchment of expenditure.

4. We have prepared an analysis of the expenditure in the budget of 1922-23 under the following heads, comparing it with corresponding expenditure in 1913-14 ;—

	1913-14	1922-23.
	Rs.	Rs.
I.—Debt Services (including interest debitable to Commercial Departments) ...	21,24,93,000	48,77,65,000
II.—Pensions (including Military Non-effective charges) ...	8,45,11,000	18,14 65,000
III.—Commercial Departments ...	35,00,92,000	79,19,77,000
IV.—Charges for Collection of Revenue ...	3,17,64,000	5,74,07,000
V.—Civil Administration ...	8,75,07,000	14,49,06,000
VI.—Military Services (effective) ...	27,02,91,000	64,47,84,000
VII.—Payments to Provincial Governments ...	59,74,000	63,29,000
<b>TOTAL</b> ...	<b>1,04,26,32,000</b>	<b>2,31,45,83,000</b>

5. Of the total expenditure of Rs. 221 crores, debt services, pensions and payments to Local Governments aggregating Rs. 57½ crores are of an obligatory character and are not susceptible of immediate reduction. There is also a limit to which reductions can be made in the charges of Rs. 5½ crores for the collection of revenue without imperilling the revenue. In our examination of railway expenditure we have drawn attention to the fact that the working of the railways resulted in a loss to the State of Rs. 9½ crores in 1921-22 and is expected to result in a further loss of Rs. 130 lakhs in 1922-23, and we have emphasised the necessity of curtailing working expenses to ensure that, under normal conditions, an average return of at least 5½ per cent. is obtained on the capital invested by the State in railways. We have also indicated substantial economies in the administration of the Posts and Telegraphs Department. Apart from these heads, the main field for economy lies in the effective charges of the Military services and in the cost of the civil administration.

6. In reviewing the expenditure of the commercial and quasi-commercial departments and manufacturing establishments of Government we have had occasion to observe that in many cases these are not conducted on commercial lines and we wish again to emphasise the importance of maintaining proper commercial accounts for all such undertakings.

7. We also desire to draw attention to the magnitude of the stocks of stores held by many departments, as shown in the following statement :—

Department.			Value of stores held on March 31st, 1922 or nearest date.
			Rs.
Army	...	...	20,14,71,000
Marine	...	...	75,11,000
Military Works--			
Mobilisation stores	...	...	87,69,000
Ordinary stores	...	...	35,41,000
Telegraphs--			
Mobilisation stores	...	...	44,09,000
Ordinary stores	...	...	1,53,40,000
Post Office	...	...	1,77,000
Indo-European Telegraphs	...	...	11,00,000
Mathematical Instrument Office	...	...	11,72,000
Railways	...	...	34,58,00,000
X-Ray Institute	...	...	6,32,000
TOTAL			58,29,22,000

The country cannot, in our opinion, afford the lock-up of capital which this huge sum represents, apart from the consequent expenditure on the establishments engaged on the maintenance of the stores, the buildings for their accommodation and the inevitable loss from depreciation. We recommend that an early and progressive reduction be effected in these large holdings.

8. We now summarise the details of the reductions which we recommend in the expenditure on the various services included under the above main headings :—

		Expenditure.	Reductions proposed.
		Rs.	Rs.
<b>I.—DEBT SERVICES.—</b>			
Ordinary debt	...	11,86,02,000	...
Interest and sinking funds debitable to:			
State Railways	...	25,63,40,000	...
Interests debitable to Posts and Tel-grams	...	66,00,000	...
Interest debitable to Irrigation	...	9,51,000	...
Interest on other obligations	...	3,23,62,000	...
Sinking funds	...	2,29,00,000	...
TOTAL		48,77,65,000	...

		Expenditure.	Reductions proposed.
		Rs.	Rs.
<b>II.—PENSIONS—</b>			
Civil Pensions	... ..	3,51,27,000	6,80,000
Military non-effective charges		9,28,96,000	...
Territorial and Political pensions		81,42,000	1,08,000
	<b>TOTAL</b>	<b>13,14,65,000</b>	<b>7,88,000</b>

### III.—COMMERCIAL DEPARTMENTS—

#### (1) Railways—

Working expenses	...	67,99,00,000	4,59,00,000
Surplus profits paid to Companies		60,00,000	...
Subsidised Companies	...	19,88,000	...
Miscellaneous	... ..	29,77,000	...
	<b>TOTAL RAILWAYS</b>	<b>69,08,60,000</b>	<b>4,59,00,000</b>

### III.—COMMERCIAL DEPARTMENTS—

(2) Indian Posts and Telegraphs	..	9,53,27,000	1,37,27,000
(3) Indo-European Telegraph Department	.. ..	43,35,000	7,34,000
(4) Irrigation	.. ..	14,55,000	2,18,000
	<b>Total Commercial Depts.</b>	<b>79,19,77,000</b>	<b>6,05,79,000</b>

### IV.—CHARGES FOR COLLECTION OF REVENUE—

Customs	.. ..	72,74,000	47,000
Income-tax	.. ..	47,01,000	....
Salt	.. ..	1,73,65,000	19,15,000
Opium	.. ..	1,86,53,000	20,00,000
Land Revenue	.. ..	15,64,000	3,97,000
Forests	.. ..	52,45,000	6,90,000
Excise and Registration	.. ..	3,32,000	17,000
Stamps	.. ..	22,73,000	22,00,000
	<b>TOTAL</b>	<b>5,74,07,000</b>	<b>72,66,000</b>



	Expenditure	Reduction proposed.
	Rs.	Rs.
<b>V.—CIVIL ADMINISTRATION—</b>		
General Administration ..	1,98,57,000	49,89,000
Audit ..	83,16,000	3,76,000
Administration of Justice ..	10,29,000	61,000
Jails and Convict Settlements ..	44,35,000	4,80,000
Police ..	81,90,000	1,07,000
Ports and Pilotage ..	26,32,000	2,11,000
Ecclesiastical ..	33,83,000	2,00,000
Political ..	2,93,14,000	45,70,000
Scientific Departments ..	1,12,60,000	30,02,000
Education ..	32,96,000	5,19,000
Medical ..	32,84,000	6,40,000
Public Health ..	16,32,000	7,79 800
Agriculture ..	23,36,000	2,86,000
Industries ..	1,59,000	1,29,000
Aviation ..	48,000	33,000
Miscellaneous Departments ..	26,71,000	11,18,000
Currency ..	80,82,000	....
Mint ..	22,34,000	4,12,000
Exchange ..	20,60,000	....
Civil Works ..	1,61,87,000	15,30,000
Famine Relief ..	27,000	27,000
Stationery and Printing ..	75,56,000	10,37,000
Miscellaneous ..	69,18,000	14,03,000
<b>TOTAL</b>	<b>14,49,06,000</b>	<b>2,19,09,000</b>
<b>VI.—MILITARY SERVICES—</b>		
Army ..	56,78,85,000	8,95,30,000
Royal air Force ..	1,41,00,000	....
Royal Indian Marine ..	1,57,22,000	75,00,000
Military Works ..	4,70,27,000	76,96,000
<b>TOTAL</b>	<b>64,47,34,000</b>	<b>10,47,26,000</b>
<b>VII.—Payments to Provincial Govts.</b> ..	<b>63,29,000</b>	<b>....</b>
<b>GRAND TOTAL</b>	<b>2,21,45,83,000</b>	<b>19,52,18,000</b>

9. From the above gross total must be deducted the following items :—

	R s.
Cost of management of debt transferred from General Administration to Interest	16,35,000
Expenditure formerly included under Army and Military Works and transferred to Royal Air Force	21,25,000
	<hr/>
	37,60,000

We have, in our report on pay and allowances, indicated a saving of Rs. 13 lakhs under travelling allowances, and the net total of the reductions which we propose on the estimate for 1922-23 is thus Rs. 19,27,58,000.

10. We recognise that it will not be possible to secure in the ensuing year the complete reductions proposed, as under the rules notice must be given to surplus establishments, large reorganisations cannot be effected immediately, and large terminal payments will be necessary in some cases. It will also be necessary to make provision for increments to establishments on time-scale salaries. We recognise, also, as stated in paragraph 3 of our general conclusions on the Military Services, that some of the reductions proposed represent reductions in stocks of stores and are therefore non-recurring. Even allowing for these factors, however, we believe that our recommendations, if carried out, will go far towards solving the problem of restoring India's finances to a secure basis.

11. The Chairman with the Secretary and Mr. Milne began their work in London in August, continuing it on the passage out to India preparing Questionnaires. We met in Committee for the first time in Delhi on the 8th November and have practically been in constant session since then. After the appointment of the Committee was announced the various departments set about endeavouring to see where expenditure could be reduced and we have been indebted to them for many suggested economies as shown in the various reports. Our labours were greatly lightened by the preparations made by the Finance Department in framing statements showing the Government expenditure under all heads, and throughout the Finance Department have been of the very greatest help. Every other Department of Government has assisted us in furnishing all information asked for and the various officers who have come before us have evinced the keenest disposition to help in the reduction of expenditure.

12. We desire to express our acknowledgments to Mr. H. F. Howard, the Secretary, and Mr. J. Milne, the attached officer, for the invaluable assistance they have rendered to us and for the laborious work they have ungrudgingly performed. We desire also to express our thanks for the great help which has been rendered to us by Mr. R. A. Mant, Mr. A. F. L. Brayne of the Finance Department and Colonel Harding Newman. We are also indebted to our office staff and to the Government Press ; the prompt and accurate manner in which the latter has carried out the work has done much to expedite the issue of our Report.

INCHCAPE (*Chairman*).

T. S. CATTO.

DADIBA MERWANJEE DALAL.

R. N. MOOKERJEE.

ALEX<sup>r</sup>. R. MURRAY.

PURSHOTAMDAS THAKURDAS.

H. F. HOWARD,

*Secretary.*

J. MILNE,

*Attached Officer.*

March 1-4, 1923.

# APPENDICES

**APPENDIX A.—ARMY EXPENDITURE.**  
(*Excluding Military Works, Royal Indian Marine and Royal Air Force*)

	1912-23 (FUDGET ESTIMATES)			1913-14 (ACTUALS)	
	Expenditure. in 1000 Rs.	Receipts. in 1000 Rs.	Net expenditure. in 1000 Rs.	Net expenditure. in 1000 Rs.	Net expenditure. in 1000 Rs.
<b>I.—Standing Army :—</b>					
(1) Fighting services in India proper and Burma	26,06.08	15	26,05.93	14,50.14	1,29.74
(2) Administrative services	3,66.29	5.20	3,61.09	15.97	6.86
(3) Miscellaneous units and expenditure	15.17	...	15.97	6.25.50	2,16.30
(4) Expenditure in England	6,48.15	17.65	6,25.50	19.93	3.84
(5) Forces in Aden	34.93	15.00	19.93	8.75	...
(6) Forces in South and East Africa	8.75	...	8.75	— 87	— 2.18
(7) Forces serving in the Colonies	11.75	12.60	— 87	18,04.70	...
<b>TOTAL of I</b>	<b>86,81.90</b>	<b>60.60</b>	<b>36,31.30</b>		
<b>II.—Cost of Educational, etc., establishments, working expenses of Hospitals, Depots, etc. —</b>					
(1) Educational and Instructional establishment	1,04.97	...	1,09.97	52.97	11.71
(2) Army Education	37.92	67	37.25	79.99	41.94
(3) Working expenses of Hospital	3,24.75	1.50	3,22.95	2.45	4.07
(4) Working expenses of depots	1,57.86	36.73	1,21.13	30.10	4.61
(5) Working expenses of manufacturing establishments	1,16.58	90.75	25.83	24.13	3.98
(6) Inspection of stores	10.75	...	10.75	...	...
(7) Military Accounts Offices	26.89	...	26.89	...	...
(8) Ecclesiastical establishments	7.70	...	7.70	...	...
(9) Administration of Cantonment	18.50	26	18.24	...	...
(10) Miscellaneous	9.86	...	9.86	...	...
<b>TOTAL</b>	<b>8,79.28</b>	<b>1,80.21</b>	<b>7,49.07</b>	<b>2,55.35</b>	<b>5.19</b>
* Add for exchange at Rs. 15=£ 1	37.63	...	37.63	...	...
<b>TOTAL of II</b>	<b>9,16.90</b>	<b>1,80.21</b>	<b>7,36.69</b>	<b>2,60.54</b>	<b>...</b>

III.—Army Headquarters Staff of Commands, etc.—									
(1) Army Headquarters	...	...	61.90	...	...	61.90	28.86		
(2) Staff of Commands	...	...	80.14	...	...	80.14	4.87		
(3) Staff of Districts and Brigades	...	...	93.04	...	...	93.04	55.85		
(4) Embarkation Staff	...	...	1.58	...	...	1.58	13		
(5) Railway Transport Staff	...	...	4.86	...	...	4.86	3.09		
(6) Miscellaneous	...	...	4.76	...	...	4.76	12.50		
			1,96.28	...	...	1,96.28	...		
			—13.20	...	...	—13.20	...		
TOTAL of III			1,83.08	...	...	1,83.08	52.50		
IV.—Stock account†			3,48.42	2,36.40	...	12.02	27.70		
V.—Special Services			1,98.61	40	...	1,98.24	34.95		
VI.—Miscellaneous charges and receipts :—									
(1) Indian Troop Service	...	...	1,88.85	19.50	...	1,19.36	29.03		
(2) Carriage of troops and stores in India	...	...	1,20.50	...	...	...	...		
(3) Miscellaneous	...	...	27.55	...	...	...	...		
(4) Provision for new measures	...	...	22.13	96.22	...	95.96	34.68		
(5) Reserve with Government	...	...	22.00	...	...	...	...		
TOTAL of VI			3,31.04	1,15.72	...	2,15.32	65.71		
VII.—Non-effective charges			9,28.97	32.18	...	8,96.79	4,04.51		
VIII.—Territorial and Auxiliary forces			1,18.86	...	...	1,18.86	52.64		
GRAND TOTAL			66,07.81	5,65.51	...	60,42.30	27,87.45		

\* Expenditure in England on stores included in the above statement has been converted at Rs. 10=£1. We have not been able to obtain information as to the distribution of this expenditure over the various items and it has therefore been necessary to make a lump addition representing the difference between the rupee equivalent of the sterling expenditure at the rate of Rs. 10=£1 and at the rate of Rs. 15=£1.

† The figures given in the budget for 1922-23 for total expenditure and net expenditure are Rs. 1,76,37,000 and a minus figure of Rs. 60,03,000 respectively, the latter figure being a credit representing a portion of the reduction of stocks. The figure for gross expenditure includes expenditure on stores in England amounting to £ 753,400 converted at Rs. 10=£ 1 whereas in this statement it is converted at Rs. 15=£ 1.

## APPENDIX B.

*Analysis of the authorised establishment of Fighting and administrative services, exclusive of Adm., Persian and the Colonies and of reservist and Auxiliary and Territorial Forces, on 1st April 1914 and 1st April 1922.*

	1914.					1922.				
	British Troops.	Indian Troops.	Civilians.	Followers.	Total.	British Troops.	Indian Troops.	Civilians.	Followers.	Total.
I.—Fighting Services, Army—										
Cavalry .. ..	6,169	24,156	..	3,147	33,472	5,094	10,962	..	6,510	22,566
Infantry and Pioneers..	54,463	115,056	..	5,657	175,178	48,335	108,567	..	9,447	166,349
Artillery .. ..	15,205	10,139	..	10,695	36,039	11,446	13,902	..	2,781	28,129
Sappers and Miners ..	198	4,734	..	207	5,139	350	7,875	..	667	8,892
Signals .. ..	207	352	..	57	616	2,196	3,311	..	757	6,264
Tank Corps .. ..	..	..	..	..	..	1,265	..	..	336	1,601
Total .. ..	76,244	154,437	..	19,763	250,744	68,686	144,617	..	9,498	233,801
Air Force .. ..	..	..	..	..	..	1,859	2	84	1,198	3,143

# II.—Administrative Services—

Supply and Transport	705	1,221	665	21,988	24,579	1,901	14,233	1,645	15,575	33,314
Corps .. ..	111	10	18	241	380	249	103	22	432	805
Training Establishments	183	1	121	4	309	531	653	158	295	1,637
Army Education ..	1,039	63	615	8,159	10,174	1,897	7,287	45	5,523	14,752
Hospitals .. ..	411	1	443	1,658	2,513	969	1,424	550	371	3,314
Arsenals, etc. ..	14	7	91	436	548	13	7	92	464	576
Medical Store Depots	73	..	17	1	91	60	1,612	64	121	1,857
Veterinary .. ..	59	8	..	5,006	5,073	50	232	68	4,570	4,920
Remounts .. ..	99	..	256	26	381	107	..	408	36	551
Military Farms	..	..	..	..	..	..	..	..	..	..
Ordnance Factories and	..	..	..	..	..	..	..	..	..	..
Inspections .. ..	195	3	634	211	1,043	160	..	925	170	1,455
Military Accounts Dept.	43	..	1,948	372	2,362	27	..	3,623	815	4,605
Ecclesiastical Establish-	..	..	..	..	..	..	..	..	..	..
ment .. ..	..	..	97	..	97	..	..	592	..	592
Cantonment Magistrates	48	3	490	..	541	49	3	473	..	525
Recruiting Staff ..	9	..	..	14	23	10	210	..	..	226
Hill Sanitaria and Depots	32	..	..	657	689	41	..	..	677	718
Staffs at:	..	..	..	..	..	..	..	..	..	..
Army Headquarters	83	..	335	197	615	153	..	729	310	1,192
Command .. ..	24	2	10	4	60	209	4	92	95	400
Districts and Brigades	563	2	37	318	920	519	..	293	270	1,112
Miscellaneous ..	57	5	..	..	62	124	4	28	..	156
Miscellaneous units ..	5	287	2	210	504	39	200	..	74	313
Unemployed and unattached list of officers ..	93	..	..	..	93	68	..	..	..	68
Total .. ..	3,816	2,213	5,477	39,522	51,058	7,206	21,938	10,007	29,798	72,919
GRAND TOTAL ..	38,090	19,850	54,771	59,255	301,502	77,751	1,305,557	10,091	51,494	309,893





**The Indian Budget**  
**Heads of Revenue & Expenditure**  
**Comparative Table 1913-14**  
**& 1921-23**



## EXPLANATORY NOTE.

*The Inchcape Committee say :—*

“Owing to the changes made under the Reforms Scheme in the distribution of revenue and expenditure between the Central Government and the Provinces, the figures for the expenditure of the Central Government contained in the accounts for 1913-14, which we have adopted for the purpose of comparison with later years, were not in all cases comparable with those contained in the estimates for 1922-23. We have, therefore, recast them, as far as possible, into the form in which they would have stood had the present distribution between Central and Provincial expenditure obtained in that year. In order to make the comparison with the year 1913-14 effective we have similarly, as we explain dealing with the exchange head, recast the revised estimate for 1921-22 and the budget estimate for 1922-23 on an exchange basis of Rs. 15 to £1. Sterling expenditure in England has been converted into rupees on this basis throughout the report except where otherwise stated. A summary statement showing the figures adopted as the basis of our examination is attached as Appendix A. We have taken as the basis of the reductions recommended the budget grant for 1922-23 shown in this Appendix, supplemented in certain cases, by the provision subsequently allotted”

[Sterling converted at £1 to Rs. 15]

[In thousands of Rs.]

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## APPENDIX

HEADS OF EXPENDITURE	ACTUALS 1913-14.		REVISED ESTIMATE, 1921-22		BUDGET ESTIMATE, 1922-23	
	England.	Total England and India.	England	Total England and India.	England.	Total England and India.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>DIRECT DEMANDS ON THE REVENUES—</b>						
1. Customs ...	6	41,34	1,65	70,43	1,64	68,70
2. Taxes on income ...	...	4,69	40	21,52	99	47,01
3. Salt ...	12	92,52	1,22	1,59,62	1,07	1,73,66
4. Opium ...	...	1,52,41	98	1,87,74	...	1,86,53
5. Land Revenue ...	25	11,94	31	15,14	30	15,64
6. Excise ...	2	1,37	6	2,54	1	2,84
7. Stamps—						
A.—Non-Judicial ...	15,98	1,68	53,35	22,29	29,10	18,46
B.—Judicial. ...	...	...	...	2,70	...	3,10
8. Forests ...	73	11,42	9,84	46,63	12,54	52,45
9. Registration ...	...	27	...	47	...	48
<b>TOTAL</b>	17,28	3,17 64	68,31	5,29,08	46,62	5,68,86
<b>RAILWAY REVENUE ACCOUNT—</b>						
10. State Railways—						
Interest on Debt ...	5 55,93	10,95,47	6,31,08	15,33,47	6,64,02	16,77,92
Interest on Capital contributed by Companies ...	2,58,39	2,92,86	3,25,20	3,22,76	3,32,05	3,36,10
Annuities in purchase of Railways	5,06,94	5,06,94	5,03,56	5,03,56	5,03,63	5,03,63
Sinking Funds ...	28,76	28,76	43,11	43,11	45,81	45,81
11. Subsidised Companies ...	...	7,89	...	7,41	...	19,83
12. Miscellaneous Ry. Expenditure ...	...	—6,88	26,76	29,19	25,27	29,77
<b>TOTAL</b>	13,50,02	19,25,04	15,29,71	24,45,50	15,70,78	26,13,09

# APPENDIX

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<b>IRRIGATION, ETC, REVENUE ACCOUNT—</b>									
14. Works for which Capital Accounts are kept—									
Interest on Debt	...	6,51	...	9,39	...	...	9,51		
15. Other Revenue Expenditure	...	83	...	1,37	—	—	1,18		
<b>TOTAL</b>	...	7,34	...	10,76	...	...	10,69		
<b>IRRIGATION ETC. CAPITAL ACCOUNT (Charged to Revenue)—</b>									
16. Construction of Irrigation, etc. Works—									
Financed from Ordinary Revenue	18	3,13	2,73	3,38	...	...	35		
<b>POSTS AND TELEGRAPHS REVENUE ACCOUNT—</b>									
17. Posts and Telegraphs—									
Interest on Debt (Indian Postal and Telegraph Department)	...	...	...	60,00	...	...	66,00		
Miscellaneous Expenditure. { Indian Postal and Telegraph Department	21,36	30,46	1,50,00	80,32	1,09,35	...	41,06		
{ Indo-European Telegraph Department	4,60	4,60	—21,60	—21,60	—14,17	—14,17	—14,17		
<b>TOTAL</b>	25,96	35,06	1,28,40	1,18,72	95,18	...	92,89		

HEADS OF EXPENDITURE	ACTUALS 1913-14.		REVISED EST. MATE 1921-22		BUDGET ESTIMATE, 1922-23	
	England.	Total England and India.	England.	Total England and India.	England.	Total England and India.
<b>POSTS AND TELEGRAPHS CAPITAL</b> (Charge to Revenue)						
18. Capital outlay on Posts and Tele- graphs—						
Indo-European Telegraph Department	3,75	3,47	3,07	3,93	5,03	—26
<b>DEBT SERVICES—</b>						
19. Interest on Ordinary Debt	8,86,92	14,00,16	10,85,93	29,81,43	12,44,71	3,89,21
DEDUCT—Amount chargeable to Rys.	5,55,93	10,95,47	6,31,08	15,33,47	6,64,02	16,77,95
.. Amount chargeable to Irrigation	...	6,51	...	9,39	...	9,51
.. Amount chargeable to Posts and Telegraph	...	...	...	60,00	...	66,00
.. Amount chargeable to Provincial Governments	...	2,22,17	...	2,65,32	...	2,99,73
Remainder chargeable to Ordi- nary Debt	3,30,99	76,01	4,54,85	11,13,25	5,80,69	11,86,02
20. Interest on other Obligations	...	1,18,38	...	2,61,71	...	3,23,63
21. Sinking Funds	...	...	75,00	2,29,00	75,00	2,29,00
<b>TOTAL</b>	<b>3,30,99</b>	<b>1,94,39</b>	<b>5,29,85</b>	<b>16,03,96</b>	<b>6,55,69</b>	<b>17,38,65</b>

# APPENDIX

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CIVIL ADMINISTRATION —									
22.	General Administration —	.....	.....	.....	.....	.....	.....	.....	.....
	A.—Heads of Provinces (including Governor-General) and Executive Councils	.....	18,05	.....	.....	.....	.....	.....	20,49
	B.—Legislative Bodies	.....	1,71	.....	.....	.....	.....	.....	8,50
	C.—Secretariat and headquarters establishment	.....	41,25	.....	.....	.....	.....	.....	80,31
	D.—Commissioners	.....	.....	.....	.....	.....	.....	.....	.....
	E.—District administration	.....	4,94	.....	.....	.....	.....	.....	16,14
	F.—Home administration, etc.	.....	39,27	.....	68,91	.....	70,37	.....	70,37
23.	Audit	.....	1,11	.....	4,59	.....	4,20	.....	83,16
24.	Administration of Justice	.....	3	.....	72	.....	80	.....	10,29
25.	Jails and Convict Settlements	.....	2	.....	33	.....	36	.....	44,85
26.	Police	.....	24	.....	1,63	.....	1,93	.....	81,90
27.	Ports and Pilotage	.....	3	.....	2,72	.....	3,71	.....	26,32
28.	Ecclesiastical	.....	2	.....	4,29	.....	4,23	.....	38,83
29.	Political	.....	2,26	.....	16,08	.....	12,45	.....	2,93,14
30.	Scientific Departments	.....	4,78	.....	17,63	.....	12,38	.....	1,12,31
31.	Education	.....	1,56	.....	1,36	.....	1,38	.....	32,96
32.	Medical	.....	80	.....	3,47	.....	5,58	.....	32,84
33.	Public Health	.....	45	.....	81	.....	96	.....	16,32
34.	Agriculture	.....	19	.....	1,87	.....	2,01	.....	23,36
35.	Industries	.....	.....	.....	1,24	.....	46	.....	1,59
36.	Aviation	.....	.....	.....	3	.....	.....	.....	48
37.	Miscellaneous	.....	24	.....	2,78	.....	3,10	.....	26,71
	TOTAL	51,00	5,15,98	1,28,46	9,38,48	1,23,92	10,15,37		
CURRENCY, MINT AND EXCHANGE —									
38.	Currency	18,20	35,64	63,02	92,28	49,55	80,32		
39.	Mint	1,59	19,90	99	18,87	1,26	22,34		
40.	Exchange	.....	.....	.....	4,90	.....	20,60		
	TOTAL	19,79	55,54	64,01	1,16,05	50,81	1,23,76		



[Sterling converted at £1 to Rs. 15.]

[In thousands of Rs.]

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# APPENDIX

HEADS OF EXPENDITURE.	ACCOUNTS, 1913-14.		REVISED ESTIMATE, 1921-22.		BUDGET ESTIMATE, 1922-23	
	England.	Total England and India.	England.	Total England and India.	England, England and India.	Total England and India.
CIVIL WORKS—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
41. Civil Works ...	.....	5 30	.....	4,06	.....	6,24
{ In charge of Civil officers ...	15,18	1,53,62	6,34	1,50,82	1,15	1,55,63
{ In charge of Public Works officers ...	15,18	1,58,62	6,34	1,54,98	1,15	1,61,87
TOTAL						
MISCELLANEOUS—						
43. Famine Relief and Insurance—						
A.—Famine Relief ...	.....	4	.....	4,50	.....	27
44. Territorial and Political Pensions ...	1,68	33,11	1,74	30,69	1,74	31,42
45. Superannuation Allowances and pensions ...	3,08,19	3,25,06	3,1,974	3,49,65	3,21,05	3,54,27
46. Stationery and Printing ...	15,80	32 12	31,64	97,68	27,61	75,56
47. Miscellaneous... ..	74,50	1,12,57(a)	35,28	97,95	23,37	68,98
TOTAL	4,00,17	5,02,89	3,91,40	5,80,47	3,73,77	5,80,50

(a) Includes "Civil Furlough and Absentee Allowance" which are being distributed among the respective subject heads of account from 1919-20.

# APPENDIX

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<b>MILITARY SERVICES—</b>								
48. Army—	...	3,95,84	24,81,44	12,61,02	62,71,66	11,72,55	58,19,85	
Effective ...	...	3,77,38	4,86,95	5,03,18	8,17,59	5,62,90	9,28,96	
Non-effective								
		7,73,22	29,68,39	17,64,95	70,89,25	17,35,44	67,48,81	
49. Marine ...	...	38,56	76,92	58,94	1,50,25	69,78	1,57,22	
50. Military Works ...	...	6,26	1,42,10	19,57	5,29,37	7,27	4,70,27	
Special Defences (1902)	...	1,38	2,45	.....	.....	.....	.....	
<b>TOTAL</b>	...	8,19,42	31,89,86	18,43,46	77,69,20	18,12,49	73,76,30	
<b>(CONTRIBUTIONS AND ASSIGNMENTS TO THE CENTRAL GOVERNMENT BY PROVINCIAL GOVERNMENTS—</b>								
52. Miscellaneous adjustments between the Central and Provincial Governments	...	.....	59,74	.....	76,38	.....	63,29	
<b>TOTAL EXPENDITURE CHARGED TO REVENUE</b>		30,33,74	69,68,50	46,95,74	1,43,50,79	47,35,44	1,42,56,36	

## APPENDIX

In hundreds of £ and thousands of Rs.

HEADS OF REVENUE.	ACTUALS, 1913-14.		REVISED ESTIMATE, 1921-22.		BUDGET ESTIMATE, 1922-23.	
	England	Total India and England.	England.	Total India and England.	England.	Total India and England.
	£	Rs.	£	Rs.	£	Rs.
<b>PRINCIPAL HEADS OF REVENUE—</b>						
I.—Customs ..	....	11,13,78	....	34,60,14	....	45,41,84
II.—Taxes and Income ..	....	2,90,52	....	21,11,99	....	22,11,39
III.—Salt ..	....	5,15,09	....	6,41,62	....	6,86,03
IV.—Opium ..	....	2,43,35	....	3,03,24	....	3,09,30
V.—Land Revenue ..	....	41,94	....	36,66	....	43,93
VI.—Excise ..	....	25,49	....	55,81	....	56,22
VII.—Stamps ..	....	14,93	....	24,27	....	24,29
VIII.—Forests ..	....	11,11	....	13,73	....	21,68
IX.—Registration ..	....	96	....	1,72	....	1,68
X.—Tributes from Indian States ..	....	88,00	....	88,27	....	88,05
<b>Total</b>	....	23,45,17	....	67,37,45	....	79,84,41
<b>RAILWAYS—</b>						
XI.—State Rys. Gross Receipts	2	56,30,68	48,6	81,82,29	48,1	99,57,26
XII.—Subsidised Companies	76,8	13,97	142,4	24,41	113,0	19,42
<b>Deduct—</b>						
Working Expenses ..	....	29,35,02	....	65,82,53	....	67,99,00
Surplus profits paid to Companies ..	....	66,13	....	1,04,09	....	60,00
<b>Total</b>	77,0	26,43,50	191,0	15,20,38	161,4	31,17,68

# APPENDIX

376 (B)

XIII AND XIV—IRRIGATION ..	....	5.91	—3.3	6.99	—3.0	7.07
XV—POSTS AND TELEGRAPHS— Indian Postal and Telegraph Department—	....	5,14.89	....	8,89.26	....	10,91.19
Gross receipts ..	65.9	4,40.85	19.9	8,45.03	45.5	9,10.10
Deduct—Working Expenses						
Net receipts ..	65.9	74.04	—19.9	44.23	—45.5	1,81.06
Indo-European Telegraph Department—						
Gross receipts ..	4.8	24.89	1.2	23.84	32.5	25.98
Deduct—Working Expenses	3.9	11.58	4.4	37.22	3.5	36.52
Net receipts ..	9	13.31	—3.2	—13.98	29.0	—10.54
XVI—INTEREST RECEIPTS ..	241.2	1,14.36	242.4	1,16.78	30.3	85.82
XVII TO XXVI—CIVIL ADMINISTRATION ..	1.7	33.86	2	72.15	2	86.50
CURRENCY, MINT AND EX- CHANGE—						
XXVII.—Currency ..	78.2	52.44	....	4,06.33	....	3,03.13
XXVIII.—Mint ..	....	50.97	2	14.24	2	19.19
XXIX.—Exchange ..	....	17.96	....	....	....	....
TOTAL ..	78.2	1,21.37	2	1,20.57	2	3,22.32

## APPENDIX

In hundreds £ and thousands of Rs.

	ACTUALS, 1913-14.		REVISED ESTIMATE, 1921-22.		BUDGET ESTIMATE, 1922-23.	
	England,	Total India and England,	England,	Total India and England,	England,	Total India and England,
	£	Rs.	£	Rs.	£	Rs.
CIVIL WORKS ..	....	6,89	....	11,46	....	10,92
MISCELLANEOUS—XXXIII 10	102,6	30,79	682,8	7,19,45	120,2	72,12
XXXV ..						
MILITARY RECEIPTS—						
XXXVI.—Army ..	351,2	1,80,53	2,213,1	7,72,54	938,0	5,65,51
XXXVII.—Marine ..	....	13,43	....	46,67	....	20,23
XXXVIII.—Military Works ..	....	11,49	....	15,30	....	15,30
TOTAL ..	351,2	2,05,45	2,213,1	8,34,51	938,0	6,01,04
CONTRIBUTIONS AND ASSIGNMENTS TO THE CENTRAL GOVERNMENT BY PROVINCIAL GOVERNMENTS ..	....	9,83 00	....	10,01.30	....	9,20,65
TOTAL REVENUE ..	786,9	65,77,65	3,303.3	1,14,71.59	1,230,8	1,33,79,08

# Provincial Retrenchment Committees



## REPORT OF THE Bengal Retrenchment Committee

The Report of the Bengal Retrenchment Committee contain 153 pages and is divided into 28 chapters. The committee was appointed by a Resolution of the Government of Bengal dated the 13th June 1922. The Report is unanimous. The members of the Committee were Sir Rajendra Nath Mukerji (President), Mr. Campbell Rhodes, Mr. Surendra N. Malik, Mr. Abinash Chandra Banerji and Mr. H. E. Spry. The terms of reference are as follows :—

"The Governor in Council desires the committee to make recommendations for effecting all possible reductions in the expenditure of the local Government. He wishes to leave the committee a free hand in their enquiries, but there are certain points on which he would welcome specific recommendations. These are—

(1) Assuming the budget for 1922-23 provides for functions which it is necessary, or desirable, that the local Government should undertake, could they be carried out at a smaller cost ?

(2) Having regard to the present financial position and outlook, is it desirable that any of these functions should be omitted or curtailed ?

(3) If, in order to meet popular demands for larger expenditure on education, sanitation, agriculture, and other similar purposes, it is decided to undertake a greater expansion of the activities of Government than has hitherto been possible, would it be desirable to relieve provincial revenues by devolving financial powers and responsibilities on local bodies ?"

"It may be that the committee's enquiries will lead them to recommend changes of policy. The decision as to the action to be taken on such recommendations must rest with the local Government, but the Governor in Council does not wish to limit in any way the scope of the committee's investigation, and it will be open to them to indicate the economies which might be effected if particular policies were adopted, modified, or abandoned."

The committee received and considered 173 written memoranda and examined orally 108 witnesses.

The report is divided into two parts. The former, arranged according to the major budget heads, gives the committee's recom-



recommendations in respect of individual departments, and the latter deals with matters of general application.

As to the general principles of the recommendations the committee writes :—Of the three specific points referred for our consideration we find some difficulty in differentiating between the first two. The only department whose complete abolition we have proposed is the Fisheries Department. In other instances we have recommended a curtailment of particular activities of an intermediate character, either as being superfluous, or because, in our opinion, it is possible to substitute less costly methods without detracting from the efficient discharge of the main functions of Government. Thus, while recommending the deprovincialization of Government secondary schools for boys, we contemplate, by means of grants-in-aid, a more effective discharge of the responsibilities of Government in secondary education. We regard this as a change of method, rather than a curtailment of the functions of Government.

The recommendations of the Committee are given below under the heads as given in the Report.

## CHAPTER II—LAND REVENUE.

### (a) Land Records.

With regard to the cost of a major settlement of permanently settled estates 5 per cent. of the cost incurred instead of 25 per cent. should be borne by the Government and 95 per cent. instead of 75 per cent. by the landlords and tenants. In the case of temporarily settled estates a modification of section 114 of the Tenancy Act is recommended thus enabling the Government to recover from tenant and settlement holders of the estates a proportion of the cost of the preparation of the revision of the record of rights. The provisions of section 114 of the Bengal Tenancy Act require that no part of the cost should be realized.

(b) *Survey Department*—The post of Director of Survey is recommended to be abolished.

Net Reduction under these two heads is Rs. 4,00,000.

## CHAPTER III—EXCISE AND SALT.

Special salt establishment is recommended to be abolished and this affects 6 Inspectors, 25 Sub-Inspectors, 123 petty officers and 133 peons. "Nine big boats and five party boats could be dispensed with at once."

The District Excise Service is to revert to the control of the District officer as in 1915. No Inspector is to be placed between

the Deputy Collectors and Sub-Inspectors where the number of the latter does not exceed ten. At present there are 62 Excise Inspectors. The number to be retained is recommended to be 25. 2 out of the 3 posts of Deputy Commissioners have been recommended for abolition.

The Excise Intelligence Bureau should be abolished. The Excise Intelligence Gazette "may be dispensed with"

The Commissioner's staff is to consist of 2 Inspectors, 4 Sub-Inspectors and a suitable number of subordinates to make special enquiries outside Calcutta.

The post of Superintendent attached to the Intelligence Bureau should be abolished. A personal Assistant of the rank of Deputy Collector may be allowed for the Commissioner.

The reward granted to Excise officers has been severely curtailed and it is recommended that a sum not exceeding one lakh should be set apart by the Government.

The contract contingencies have been reduced by Rs. 20,000. Net Reduction under this head (Excise and Salt) is Rs. 5,02,000.

#### CHAPTER IV.—STAMPS.

A reduction in the Discount allowed to stamp venders on sale of stamp is recommended.

#### CHAPTER V.—FORESTS.

The post of Forest Engineer is recommended to be abolished. The Net Reduction estimated is Rs. 8,700.

#### CHAPTER VI.—REGISTRATION.

The abolition of the post of Inspector-General of Registration and the transfer of the Department to the Commissioner of Excise are recommended.

The posts of Inspectors have been recommended to be abolished. Increase of fees for copying, registering and searching is recommended. The abolition of 12 superfluous Sub-Registry is recommended. The Net Reduction estimated under this head is Rs. 20,72,660.

#### CHAPTER VII.—IRRIGATION.

The recommendations put briefly are :—

(a) Each project should be examined in the light of present day conditions in order that needless expenditure may be eliminated.

(b) The tolls and fees should be revised, and increased wherever possible. We understand that the tolls on the Hijli Tidal canal, for instance, are, on the whole lower now than they were in

1965. We think the receipts could be increased at once by one-third.

(c) The requirements of the department in staff should be examined, as also the necessity for the numerous launches and boats which it maintains.

(d) The question of maintenance from provincial revenues of about 1,000 miles of embankment may be considered. We understand that in some instances landlords have been relieved of their liability in this matter at a substantial additional charge to the State.

(e) Drainage schemes, whether designed to combat malaria, or to increase the culturable area, should not be undertaken until steps have been taken to enforce a proper condition from those who will benefit.

The net reduction effected under this head is Rs. 3,50,000. This is to be effected by means of an increase on the tolls and rates.

#### CHAPTER VIII.—GENERAL ADMINISTRATION.

##### (a) Staff and Household of the Governor.

The expenditure incurred on the Governor's bodyguard is considered "avoidable." The net reduction estimated is Rs. 1,20,000.

##### (b) Members of Council and Ministers.

Reduction of two members in the Executive Council and one Minister is recommended. "For a limited period there is a case for a third member of the Executive Council of wide administrative experience. We would set the end of that period at the end of next general election."

The net reduction estimated is Rs 2,16,000.

##### (c) Legislative Council.

A suggestion is given to reduce the number of questions asked in the Council. "No emoluments should attach to the office of Deputy President. Overtime allowances of Assistants and typists during Council sittings should stop. The post of Registrar of the Legislative Dept. has been retained. Charges on conveyance hire and cooly hire should be prohibited. The net reduction estimated is Rs. 27,500.

##### (d) The Secretariat.

The main proposal in regard to the Secretariat is that where there are heads of Departments the present duplication of departmental and secretariat establishment and officers should in most cases be done away with.

The heads of the following departments are recommended to

deal direct with the member of Government in charge, and carry out the duties of Secretary to Government.

- (a) Police.
- (b) Medical and Public Health.
- (c) Education.
- (d) Excise and Registration.
- (e) Jails.
- (f) Veterinary.

The Departments of Agriculture, co-operative credit and Industries have been proposed to be placed under a Development officer who should be in direct charge with the Minister-in-charge and perform the duties of Secretary to Government. Amalgamation of Revenue Secretariat and Board of Revenue is recommended.

The Civil Secretariat should comprise the following secretaries—Chief Secretary, Financial Secretary, Judicial Secretary, Local Government Secretary. The post of Dy. Secretary in the Political and Appointment Depts is considered unnecessary.

As regards Assistant Secretaries "there is no need for one in the Judicial Dept. and no justification for paying Rs. 12,000 a month for an Assistant Secretary in the P.W.D." Either the Asst. Secretary or the Personal Assistant to the Chief Engineer in the Irrigation and P.W.D. should be considered sufficient. The offices of the Inspector-General of Police and the Director of Public Instruction are "capable of reduction." The post of Registrars have been recommended for abolition. The separate post of Labour Intelligence officer under the Commerce Department "seems to be of doubtful necessity."

The net reduction is estimated to be Rs. 4,55,900.

(e) Board of Revenue.

The net reduction proposed is Rs. 25,000 to be effected by an increase of revenue under the head "wards general rate."

(f) Commissioners.

The posts of Divisional Commissioners are proposed to be abolished. The net reduction is estimated to be Rs. 5,20,000.

(g) District Administration.

The chief recommendation in regard to District administration is that there should be a readjustment of the cadres of the Provincial and Subordinate Executive Services. Another is that the number of orderly peons allowed to District officers should be reduced.

The net saving is estimated to be Rs. 4,10,000. Therefore the net reduction is estimated to be 4,10,330.

## CHAPTER IX.—ADMINISTRATION OF JUSTICE

## (a) Civil and Sessions Court.

The following proposals have been given seriatim for the employment of a "cheaper agency" for the administration of justice.

(a) The enhancement of the powers of all Munsiffs to try suits up to Rs. 2,000 in value and of selected Munsiffs to try suits up to Rs. 50,000 in value.

(b) The hearing by Sub-Judges of insolvency, succession, probate, administration and contested will cases. Small succession cases might be heard by experienced Munsiffs.

(c) The disposal of a larger proportion of Sessions cases by Assistant Sessions Judges. Experienced Dy. Magistrates and Sub-Judges may be vested with the power.

10 Additional judgeships and 5 subordinates judgeships and have been recommended to be abolished. The appointment of Honorary Munsiffs is recommended. The number of Civil Courts holidays is considered excessive. The strength of the Dist. Judicial staff of the Province is determined thus :—21 District and Sessions Judges, 15 Assistant Sessions Judges, 40 Subordinate Judges and 240 Munsiffs. The reduction is to be gradual. Reduction in the payment of diet money, reduction of ministerial staff, and a 25 per cent. increase of copying fees in District Courts recommended.

The net reduction estimated to be Rs. 13,40,700.

## (b) Presidency Magistrates.

The motor case court is regarded as a "luxury" and the direct telephone line between the Chief Presidency Magistrate and the Commissioner of Police is considered to be a "minor luxury that should be dispensed with."

The net reduction estimated to be Rs. 17,000.

## (c) Courts of Small Causes, Calcutta.

Two of the Judges should be recruited from the Provincial Judicial Service.

The net reduction estimated to be Rs. 4,800.

## (d) Legal Remembrancer.

Payment should be made by the Eastern Bengal Railway for legal advice given by the Legal Adviser. The Government of India should recoup the local Government for the expense occasioned by the appearances of the Deputy Legal Remembrancer in the marine Court. As regards the fees to pleaders in criminal cases in the

Mufassil there might be some saving if Court Inspectors were better equipped for this work and also if in the smaller cases-junior and not senior pleaders are engaged.

The net reduction estimated is Rs. 1,500.

## CHAPTER X.

### Jails.

There are 5 central, 24 District and 58 subsidiary jails in the Province. The conversion of many of the District Jails into subsidiary jails, and the provision of more Central jails would probably lead to an ultimate saving. The total number of convicts admitted to the jails in the year 1921 was 28,217. Of these 15,455 were sentenced to terms of imprisonments not exceeding 3 months, and 7,975 to terms not exceeding one month. If these very large number of short sentences could be materially reduced, the interests of economy and the views of modern penologists would both be met.

The number of under-trial prisoners admitted during the year 1921 was 40,127 and the average period of detention was in Sessions cases 39'58 days, and in other cases 19'62 days. Any measure that would reduce the number of undertrials and decrease the period of detention would effect economy in the jails Department. The manufacturing activities of the Department are on a considerable scale. The "greatest need" here is for a detailed audit to safeguard the proper disposal of so large a sum of money.

## CHAPTER—XI,

### (A) Bengal Police,

The following are the main recommendations :—

(1) Training College at Sardah should be closed except for training of Constables.

(2) River police to be retained but its strength should be reduced and one-third of the launches, floating stations and other craft should be laid up.

(3) The strength of the Railway Police is to be reduced.

(4) Military Police or the Eastern Frontier Rifles is to be retained,

(5) Buxar Duars Detachment for guarding the Bhutan Frontier is to be reduced.

(6) Armed Reserve not to be increased.

(7) Band and pipes of Military Police to be dispensed with.

(8) In the Intelligence Branch the Central Intelligence staff is to be reduced by the abolition of the posts of Deputy Inspector-

General and two Deputy Superintendents and the reduction of the number of Assistant Sub-Inspectors and Head Constables from 34 to 25 and the number of Constables from 82 to 36. The post of a special Superintendent should also be abolished.

(9) The District Intelligence Staff is of doubtful necessity.

(10) The permanent staff of the Criminal Investigation Department is to be reduced in the following manner :—

(a) Deputy Inspector-General to be abolished.

(b) The two Deputy Superintendents to be abolished.

(c) Of 24 Inspectors 9 are to be abolished.

(d) Of 11 Sub-Inspectors 5 are to be abolished.

(e) The 6 Assistant Sub-Inspectors are all to be abolished, and

(f) The Constables are to be reduced from 36 to 21.

(11) The Police Stations are to be amalgamated so as to reduce the existing number by 200.

(12) All posts created since 1912 are to be abolished.

(13) 38 posts of Circle Inspectors are to be abolished.

(14) Assistant Superintendents are to be replaced by Deputy Superintendents in some Districts, failing which the entire cadre of Deputy Superintendent is to be abolished.

(15) Additional Superintendents are to be abolished except where unavoidable.

(16) Sub-Divisional charge is to be given to Inspectors who should have gazetted ranks.

(17) Of 5 Range Deputy Inspectors General 2 are to be abolished

(18) In the Inspector-General's office one post of Assistant Inspector-General is to be abolished.

(19) All special Duty Allowance attached to the Intelligence Branch and the Criminal Investigation Department should be discontinued.

The Net Reduction estimated under this head is Rs. 26,28,800.

#### B. CALCUTTA POLICE.

The following are the important recommendations :—

(1) Of 7 Deputy Commissioners 2 should be abolished and of 13 Assistant Commissioners 7 should be abolished.

(2) Reporting centres to be reduced from 12 to 5 in the city.

(3) The Suburban Stations are to be reduced from 6 to 3.

(4) The patrol posts are to be reduced, thus effecting a reduction of 500 patrol constables and corresponding number of sergeants.

(5) In the city proper 4 Inspectors and 12 Sub-Inspectors should be dispensed with at once.

(6) Staff of the Special Branch should be reduced by one-third.

(7) The cost of the Port Police should be borne one-fifth by the Government and four-fifths by the Port Commissioners instead of the present ratio three-tenths to seven-tenths.

(8) The allowances now given to the officers and men of the Detective Department should be withdrawn.

(9) The clothing should be reduced by 25 per cent.

(10) The pay of the Calcutta Police Sub-Inspector should be reverted to the former scale of Rs. 125 to Rs. 175.

(11) The number of Inspectors should be reduced and should not exceed 15 per cent. of the combined strength of Sub-Inspectors and sergeants.

(12) A maximum allowance as house rent should be fixed for the officers according to their grade.

The total reduction on the Police is proposed to be Rs. 34,42,300.

## CHAPTER XII.

### (A) Education (Transferred)

The following are the main recommendations —

(1) Guru Training Schools are to be abolished.

(2) Sub Inspectors and Assistant Sub-Inspectors to inspect elementary schools are to be abolished.

(3) District and Sub-Divisional Inspectors to be retained.

(4) Normal Schools to be abolished.

(5) Government High Schools to be deprovincialised, or made over to local bodies or committees.

(6) High Schools for girls to be retained.

(7) Middle Schools to be made over to local bodies or Committees.

(8) Training Colleges are to be abolished.

(9) Government Arts Colleges to be deprovincialised except the Presidency College.

(10) The teaching staff of the Presidency College is to be reduced and 6 I. E. S. men should be retained instead of the present number of 14 and the tuition fees of the students should be increased by 50 p.c.

(11) The post of Additional Inspectors, 9 in number, should be abolished.

(12) The post of 5 Assistant Inspectors for Mahomedan Education and that of the Assistant Director of Public Instruction for Mahomedan Education should be abolished.

(13) The 2 Inspectresses and 12 Assistant Inspectresses should all be abolished.



(14) The post of Divisional Inspectors should be retained for the present i. e. till the constitution of the Board of secondary Education.

(15) The Head quarters staff of the Education Department should be one instead of two, as at present, and the Director of Public Instruction is to be the Secretary to the Government.

(16) The buildings should be unpretentious and the P. W. D. and Public Health Department should exercise only advisory functions.

(17) The annual grant to the Dacca University should be reduced from 5 to 4 lakhs of rupees and greater economy should be exercised by the reduction of the staff and the raising of tuition fees.

(18) No recommendation is made as regards the Calcutta University which does not receive a consolidated grant.

The Net Reduction estimated under this head is Rs. 29,73,800.

### B. Education (Reserved)

The following are the main recommendations :—

(1) The expenditure on European children is justified, but that on Anglo-Indian children is not so justified. The Committee, however, make no recommendation.

### CHAPTER XIII.—Medical

The following are the important recommendations :—

(1) As a beginning, the Civil Surgeoncies now reserved for the Indian Medical Service should be reduced from 16 to 11 ; later on with the increased Indianisation of the services the need for European medical officers in the mofussil districts will decrease.

The Indian medical officers who replace them should be organised on a provincial basis.

(2) The posts reserved for the I. M. S. in Calcutta should not be reduced. The appointment of honorary surgeons and physicians in the Calcutta hospitals should be made with as little delay as possible. The chairs of 2nd physicians and 2nd Surgeons at the Medical college may be filled up in this manner.

(3) Military Assistant Surgeons should be replaced by civil Assistant Surgeons, and Assistant Surgeons should be replaced by Sub-Assistant Surgeons wherever possible. In the matter of duty and local allowances, economy should be effected forthwith.

(4) The hostels should not be a charge on provincial revenues.

The Net Reduction estimated under this head is Rs. 3,45,500.

## CHAPTER XIV.—Public Health

## (a) Public Health Branch

The following are the important recommendations—

- (1) Posts of Local Assistant Directors should be abolished.
- (2) School hygiene branch to be abolished.
- (3) There should be one Director and 3 Assistant Directors.

## (7) Engineering Branch

(1) Chief Engineer should be succeeded by an officer on lower pay.

(2) A Personal Assistant to Chief Engineer is not necessary and the staff should be reduced.

The Net Reduction estimated is Rs. 1,50,000.

## CHAPTER XV.—Agriculture etc

## (a) Civil Veterinary Department

Eight Posts of Inspectors have been recommended to be abolished and three posts of Deputy-Superintendents retained on reduced salary of Rs. 200—500 instead of the present scale of Rs. 250—750 which is considered to be "unnecessarily generous."

The Permanent Principal of the Veterinary College is an expensive officer. On his retirement the number of Imperial Officers should be three only—one the Principal of the College and Adviser to Government, one the Superintendent of Veterinary work throughout the province, and one the second officer at the college.

The Veterinary College "appears to be somewhat extravagantly run. The superior staff is not excessive, but the Deputy Superintendents should be on a scale of pay of Rs. 200 to 500. The menial establishment of 97 is certainly extravagant and should be susceptible of considerable reduction. The post of Record supplier is unnecessary. The Riding school should be abolished.

Government stipends in addition to the stipends granted by District boards should be stopped. The Hostel fees should cover the expenditure.

## (b) Agriculture.

The functions of this department comprise research experiment, demonstration and propaganda.

The following recommendations are made :

- (1) Research staff to be reduced as follows :—

- (a) Economic Botanists to be reduced from 2 to 1,
- (b) Laboratory Assistants to be reduced from 3 to 1,
- (c) Field Assistants be reduced from 4 to 2, and
- (d) Fieldmen be reduced from 3 to 2.

(2) (a) Of the supervising staff 2 out of 5 Deputy Directors are to be abolished and they should be members of a provincial service and paid as such.

(b) The two Superintendents of farms are to be abolished.

(c) Demonstrators for the farms should be reduced from 157 to 60.

(3) Posts of Superintendents and District Agricultural officer to be abolished.

(4) An agricultural College in Bengal to train officers for the department is not required.

(5) Of the two secondary agricultural schools at Dacca and Chinsura, one is to be abolished.

(6) Proposed elementary agricultural schools are not necessary.

(7) 113 clerks for the preparation of the jute forecast should be reduced as much as possible.

(8) Contingent expenditure at farms to be reduced from Rs. 1,85,000 to not more than Rs. 1,50,000.

(9) The temporary staff is not necessary.

(10) The Agricultural Journal is to be discontinued.

(11) The three departments of agriculture, co-operative credit and development of small industries should be under a single administrative head. He would require a Registrar of Co-operative Societies and a Director of Industries and no separate Director of Agriculture. The present post of Director of Agriculture would be abolished.

Under this head the Net Reduction expected is Rs. 2,83,100.

#### (c) Sericulture.

Instead of seeking to teach the professional rearer how to produce disease-free seeds the reversion to former practice of producing disease-free seeds and selling it to "selected" rearers is recommended and 75 per cent. of the expenditure incurred in this connection is expected to be recovered in receipts. The nurseries should be made self-supporting as regards the supply of mulberry leaf.

One of the permanent posts of Superintendent of sericulture and that of the sericultural research expert are considered respectively to be "superfluous" and of "little, if any, practical value." The subordinate staff under each of them is, therefore, not necessary.

Instead of "a Silk Committee" which has not met for at least 18 months the appointment of a strong advisory committee and the closest co-operation with the industry are indispensable.

The net reduction is estimated to be Rs. 710,000 Government Department should be required to pay for all services rendered to

it by the college at the usual rates. Fees of all classes should be increased by one-third.

The net reduction proposed is estimated to be Rs. 1,12,550.

#### (d) Co-operative Societies.

The following recommendations are made :—

- (1) The posts of Inspectors should be abolished.
- (2) Of the total expenditure on Audit, one half of the cost of audit of societies less than 18 months old should be borne by Government, and the remainder apportioned between the societies who are liable to pay.
- (3) Assistant registrars should be Auditors primarily and they should supervise the work of the auditors. There should be one post for each division instead of two as at present.
- (4) A Deputy Registrar is necessary.
- (5) The personal Assistant to the Registrar should be on a pay equivalent to the pay of a Sub-Deputy Collector.
- (6) Assistant Registrars should be on the same pay as is fixed for the provincial executive service.
- (7) Duty allowances to the Assistant Registrars and personal assistant should cease.
- (8) Assistant Registrars should have no tour clerks.
- (9) The post of Registrar should be held by an officer of provincial service rank.
- (10) The department has a steam launch the 'blanche.' It is not required. There is also a department motor car, whose running expenses amount to Rs. 300 per month. The car should be sold.
- (11) Inspectors on liquidation work should realise their pay and allowances from the assets.
- (12) Government should not meet a part of the cost of management of Calcutta Milk Union.
- (13) Travelling allowances to honorary organisers should be curtailed.

The Net Reduction estimated is Rs. 2,66,600.

### CHAPTER XVI.—INDUSTRIES-

#### (a) Development of Industries.

The following are the main recommendations—

Government technical School at Rangpur, Barisal and Bogra should be deprovincialized, (2) Commercial Institute to get Rs. 15,000 grant, (3) The weaving Institute of Serampore to be retained. One post of Superintendent textile Demonstrators should be abolished. Stipends of students should be abolished.

(4) The Survey School at Comilla should be abolished. (5) The Government School of Art should be self-supporting, the fees of Students should be doubled and the post of Vice-principal should be abolished. (6) The posts of Director and Deputy Director should be held by one officer on Rs. 1000 a month and the posts of industrial chemist and industrial Engineer are to be abolished, Superintendents, having to do their work. The ministerial establishment to be reduced to 10 clerks.

(7) Loans to be given to small industries.

The net reduction estimated under this head is Rs. 31,4,300.

(b) Fisheries.

The abolition of this Department is recommended.

The net reduction estimated under this head is Rs. 82,000.

#### CHAPTER XVII—MISCELLANEOUS DEPARTMENTS.

Trade Statistics—The registration of traffic should be discontinued, and the whole of the staff employed in the collection of internal trade statistics should be abolished.

Boilers Commission—No charge should be made to provincial revenue on this account.

Smoke Nuisance Commission—The Chief Inspector should be Secretary to the Commission and a small income should be obtained by charging fees for the passing of plans for installations for testing and also for giving advice.

Rent Controller's Office should pay its own way.

Total saving and increase of revenue under these heads estimated at Rs. 80,000.

#### CHAPTER XVIII—CIVIL WORKS.

The Public Works Department should confine itself to work which cannot be discharged either by private enterprise or through the agency of district boards and municipalities. The elaborate system of accounts and checks presented by the Public Works Code should be avoided. New original buildings of an estimated cost of over Rs. 50,000 should be constructed under the supervision of an architect. Those costing less should be constructed by heads of departments, technical advice and supervision in the mofussil being given by the District Engineer. The stores Department should be abolished and local purchase of materials permitted. In the Public Works Department, besides the architect and his staff there should be a permanent staff of two Superintending engineers, six to eight Executive Engineers and a few assistant Engineers. Total estimated reduction Rs. 8,00,000.

## CHAPTER XIX.—STATIONERY AND PRINTING.

With regard to the consumption of stationery the articles should be standardized and local officers should not be given the option to purchase more expensive qualities. All emergent and supplementary estimates should be forbidden. In the purchase of country stationery a reasonable yearly maximum should be fixed. In the Presses direct purchase of paper from Europe and America should be encouraged. Unnecessary printing should be avoided and the Departments should be charged for their printing. The number of forms should be reduced.

Total reduction estimated—Rs. 2,10,000.

## CHAPTER XX.—DEVOLUTION OF FINANCIAL POWERS TO LOCAL AUTHORITIES.

The first duties of Government, viz., to give security, enforce law and order, collect public revenue and provide efficient judiciary and magistracy, should be carried out at a minimum cost. The cost in the Transferred Departments should be reduced. If it is decided to incur large expenditure on education, sanitation, agriculture and other similar purpose the necessary funds should be obtained by devolving financial powers and responsibilities on local bodies. In dealing with agriculture agencies should be eliminated. The District officer should give effect to the wishes of the District Board unless he considered they conflicted with the orders of the Government.

## CHAPTER XXII.—INDIANISATION OF SERVICES.

Some advance beyond the present position in the direction of increased Indianization is possible in all services without impairing the character and efficiency of the administration. In the Indian Police Service and the Indian Civil Service, the advance must be slow, the judicial service might be Indianized by the recruitment in future of non-Europeans only. In the Indian Medical Service and the Imperial Forest Service European officers will be necessary for some time to come. In the Education Dept. certain posts should be reserved for Europeans, but with these exceptions, complete Indianisation seems desirable. Indianisation of the services should proceed on provincial rather than on All-India lines. The recruitment of Indians on the present terms to the All India Services should cease, and such Indianisation as may be determined on should be made from the standpoint of provincial conditions.

## CHAPTER XXII.—PAY OF THE SERVICES.

No general alteration in the pay of the All-India Services is proposed. In the case of European officers no reduction would be possible without seriously affecting recruitment. If Indians are recruited to the All-India services, there should be an adjustment of pay to ensure that an Indian officer is paid substantially lower rates than a European officer. In services other than the All-India services and as regards individual posts held by Indians, an all-round reduction of pay is called for. As a general measure of economy the following percentage of reductions to all-officers not members of the All-India Services and not employed on specific contracts are recommended.

- |  |     |             |     |
|--|-----|-------------|-----|
| 1. Rs. 250 or less                                 | ... | ...         | Nil |
| 2. More than Rs. 250 and not less than Rs. 500     | ... | 5 p.c.      |     |
| 3. More than Rs. 500 and not less than Rs. 1,000   | ... | 10 p.c.     |     |
| 4. More than Rs. 1,000 and not less than Rs. 1,500 | ... | 15 p.c.     |     |
| 5. More than Rs. 1,500 and not less than Rs. 2,000 | ... | 25 p.c.     |     |
| 6. More than Rs. 2,000                             | ... | 33 1-3 p.c. |     |

Existing pay should not be reduced, but increments should be withheld till an advance is permissible under the new time scale of pay.

Inspectors of excise should not get more pay than Inspectors of Police. The maximum pay of Munsiffs should not exceed Rs. 600, and their pay on confirmation should not exceed Rs. 300.

There should be two grades of service in each branch of the administration, a provincial and a subordinate. The provincial service should embrace posts of district rank. The following scale of pay has been recommended as suitable for the provincial judicial and police services:—

(a) *Judicial.*

- (1) Rs. 275 on confirmation.
- (2) Rs. 275 to 750 Rs. as a judicial officer of less than district rank.
- (3) Rs. 900 to Rs. 1,250 as an Assistant Sessions Judge.
- (4) Rs. 1,000 to 1,500 as a District and Sessions Judge.

(b) *Police.*

- (1) Rs. 200 on confirmation.
- (2) Rs. 200 to Rs. 650 as a police officer of less than district rank.
- (3) Rs. 800 to Rs. 1,250 as a Superintendent of Police.

As regards the Subordinate Services, the highest pay on confirmation should be Rs. 175 and the maximum pay of the services Rs. 500. Recruitment to the services should be generally direct.

Net reduction expected—Rs. 900,000.

### CHAPTER XXIII—HOLIDAYS, LEAVE AND HILL EXODUS.

Government holidays should be restricted to public holidays. These amount to 81 days in the year including Sundays.

As regards leave, the general principle should be that there should be only one month's leave in the year. Except for special reasons no leave should be granted to inferior Government Servants if extra cost is entailed thereby. The strength of the future cadres should be based on more moderate leave rules.

In the matter of the Hill exodus, the needs of administration would be met by the Members and Ministers being in Darjeeling for 2 or 3 weeks in the middle of the Governor's stay to attend meetings of the whole Government and of the Executive Council. The Secretaries, heads of Departments and their staffs should remain in Calcutta.

Estimated reduction—Rs. 2,10,000.

### CHAPTER XXIV—TRAVELLING AND OTHER ALLOWANCES

For railway journeys, the rule now in force in the Bombay Presidency should be adopted and instead of two fares, an officer should get  $1\frac{1}{2}$  fares. The rule by which the mileage is earned for distances by road in excess of 20 miles should be cancelled. An increase in the daily travelling rate not exceeding 25 should be made. Where special conveyance is necessary, a special monthly conveyance allowance should be made in addition to the travelling allowance. As regards the four grades into which Government servants are classified for the purpose of calculating travelling allowances, no member of a provincial service should be placed in the first grade unless he is occupying a post of at least district rank and is in receipt of a pay of not less than Rs. 800.

In the case of officers who are engaged on duties requiring constant touring, a fixed monthly travelling allowance has been recommended.

An officer who deliberately sets out to make profit from travelling allowances should suffer exemplary punishment.

All these proposals should apply to members of the Legislative Council.

Net reduction estimated—Rs. 7,00,000.

### CHAPTER XXV—FLOATING CRAFT.

The province should be divided into two divisions, east and west, and the launches of each division should be placed in the charge of an officer working under the direct control of the Marine



Department. In each division there should be control stations. The launches should be in charge of a 'ghat serang,' responsible to the controlling officer. The result will be a reduction in the number of launches and of the establishment to a working minimum; the vessels would be in charge of experienced officers and would be better cared for.

The purchase of stores should be made in bulk for each division on the basis of the annual requirements of all the floating craft.

The expenditure on maintenance charges should be considerably reduced if motor launches could be substituted for steam launches.

Estimated net reduction—Rs. 2,00,000.

## CHAPTER XXVI—RENTED BUILDINGS AND TELEPHONES.

### (a) Rented Buildings.—

The total amount of rent paid by the Local Governments for residential and office buildings is approximately Rs. 13 lakhs, of which the Police Department is responsible for over Rs. 8 lakhs.

To reduce the cost, it is the proper course for Government, by means of a loan, to undertake the construction of the necessary departmental offices in the mofussil.

In Calcutta, there should be some standard for regulating the amount of accommodation admissible and there should be a controlling authority to ensure that a department does not hire a building in an unnecessarily expensive thoroughfare. As instances of extravagance the following are mentioned. The offices of the Executive Engineer, Khulna Division, and of the Executive Engineer, Grand Trunk Canal, are located in Bowbazar Street at a monthly rental of Rs. 1023. The Inspector of Schools, Presidency Divn. and his Subordinate Inspecting officers occupy premises in Dalhousie Square at a monthly rental of Rs. 2,814. The Inspectress of Schools, Presidency and Burdwan Division is also located in Dalhousie Square and pays a rent of Rs. 621 a month. The Inspector of European Schools has his office in Humayon Place and pays Rs. 400 a month for it. The rent of the office of the Director of Surveys in Bantick Street is Rs. 2500 a month, and the Industries Dept. occupy a building in Free School Street at a monthly rental of Rs. 3500, at least one-third of which has never been occupied.

### (b) Telephones.

There are 375 telephones in use in Government offices and 130 in the residence of officers. Of these 25 office telephones and 47 residential telephones are necessary.

In Government offices, other than Writers' Buildings, where three or more telephones are in use, a small exchange would be less expensive than separate direct connections. A further reduction of

expenditure would be effected by following the ordinary business practice of having a small exchange in Writers' Buildings.

Net reduction estimated—Rs. 1,26,500.

#### CHAPTER XXVIII—CONTINGENCIES.

There is room of considerable reduction, if heads of Departments exercise proper control. Contingent allotments should be regulated so as allow as little margin as possible for extravagance. Personal financial responsibility for improper or wasteful expenditure should be enforced.

Net reduction expected to be Rs. 10,00,000.

#### CHAPTER XXVIII—GENERAL.

There is ample room of a detailed and systematic overhauling of the whole machinery of Government. Unnecessary work should be eliminated and officers should be instructed to scrutinize the work of their offices in detail. In doing this they should be unfettered by the orders and instructions on which the work now rests. The strength of the establishments should be determined anew, and the greatest caution should be exercised in sanctioning future additions to establishments. As regards present incumbents, except in case of those whose service conditions are regulated by covenant or contract, the Government should not divest itself of the right to discharge those whose service circumstances have rendered superfluous.

#### APPENDIX.

The following is an abstract of the reductions recommended—

Major survey and settlement—Estimated increase of revenue Rs. 4,00,000.

Excise and Salt—Savings Rs. 5,02,200.

Forests—Savings 8,700.

Registration—Savings 72,660, Estimated increase of revenue Rs. 20,00,000.

Irrigation—Estimated increase of revenue Rs. 3,50,000.

#### *General Administration—*

Staff and Household of the Governor—Savings Rs. 1,20,000.

Members of Council and Ministers—Savings Rs. 2,16,000.

Legislative Council—Savings Rs. 27,500.

Secretariat—Savings Rs. 4,55,900.

Board of Revenue—Savings Rs. 25,000.

Divisional Commissioners—Savings Rs. 5,20,000.

District Administration—Savings Rs. 4,10,000.

*Administration of Justice—*

Civil and Sessions Courts—Savings Rs. 11,50,700, Estimated increase of revenue Rs. 1,90,000.

Presidency Magistrates—Savings Rs. 17,000.

Courts of Small Causes—Savings Rs. 4,800.

Legal Remembrancer—Savings Rs. 1,500.

*Police.*

Bengal Police—Savings Rs. 26,28,800.

Calcutta Police—Savings Rs. 8,13,500.

*Education (transferred)*—Savings Rs. 35,98,800 : Loss of Income Rs. 6,25,000.

Medical—Savings Rs. 2,95,500, Estimated increase of revenue Rs. 50,000.

Public Health branch—Savings Rs. 2,70,000.

Engineering branch—Savings Rs. 75,600. Estimated increase of revenue Rs. 75,000.

*Agriculture.—*

Civil Veterinary Department—Savings Rs. 95,550, Estimated increase of revenue 18,000.

Agriculture—Savings Rs. 2,92,300, Loss of income Rs. 800.

Sericulture—Savings Rs. 19,000, Estimated increase of revenue Rs. 52,000.

Co-operative Societies—Savings Rs. 2,66,600.

*Industries.—*

Development of Industries—Savings Rs. 3,07,300, Estimated increase of revenue Rs. 7,000.

Fisheries—Savings Rs. 82,000.

*Miscellaneous Department*—Savings Rs. 80,000.

Civil Works—Savings Rs. 8,00,000.

Stationery and Printing—Savings Rs. 2,10,000.

Pay of the service—Savings Rs. 9,00,000

Holidays, leave, and the hill exodus—Savings Rs. 2,10,000.

Travelling and other allowances—Savings Rs. 7,00,000,

Floating craft—Savings Rs. 2,00,000.

Rented buildings and telephones—Savings Rs. 1,26,500.

Contingencies—Savings Rs. 10,00,000.

**TOTAL**—Savings Rs. 1,65,00,710,

**ESTIMATED INCREASE OF REVENUE** Rs. 31,42,000,

**LOSS INCOME** RS. 6,25,800.

Net reduction—Rs. 1,90,25,910.

NOTE.—These figures do not take into account the increased pensionary charges involved in the Committee's proposals.

The following are excerpts from the main Report on some of the important points.—

### Governor's Body-Guard

The expenditure on the Body Guard establishment amounts to Rs. 1,20,000 a year. Apart from sentry duty at Government House the Body Guard are used on two ceremonial occasions in the year. The Committee considers this expenditure is avoidable. Net reduction—Rs. 1,20,000.

### Present Strength of Government.

The present Government, which consists of four Members of Council and three Ministers, has been widely described as unnecessarily large. It has been pointed out that in pre-reform days the Government consisted of the Governor and three Members of Council, and that admitting the increase of work resulting from the new constitution, and from an enlarged and more active legislature, the increase of the Members of Government by four appears to be without justification.

The Committee think it necessary to do more than state that a Government of seven is not justified by the work that has to be done. There is no dispute on this point, the difference of opinion arises as to the extent of the reduction. It is not easy to estimate the increase of work since the pre-reform days of a Government of three, but the factors making for an increase are fairly clear. The first is the increased complexity of the form of Government under the new constitution and the material inroad made on the time of Members of Government by the more protracted sittings of the Legislative Council. Another factor is the altered situation in regard to finance. The local Government has now to stand on its own legs in this matter, to develop its own resources, and to devise a constructive financial policy embracing taxation and loans. A further consideration is that in pre-reform days the Governor had personal charge of certain branches of work. This is not now possible, and its effect has to be accounted for.

The Committee is of opinion that there is ample justification for a Govt. of four, consisting of two Members of Council, one of whom should be a non-official, and two Ministers, and we regard this as the normal and proper strength of the local Government. We recognize, however, that the consideration and adoption of our recommendations will provide at first additional work in all branches of the administration, and we consider that, for a limited period, there is a case for a third Member of the Executive Council of wide administrative experience. We would set the end of that period after we consider conditions should have reached the normal and a Government of four should suffice.

Net reduction Rs. 3,16,000.

### Legislative Council.

The present Legislative Council, as the first enlarged Council under the new constitution, has shown a natural but considerable appetite for information. A very large number of questions are asked at each session, and the work involved in the preparation of replies is, we are told, considerable in all departments of Government. The amount of money consumed in the preparation of answers to questions, and in the printing and circulation of them is also considerable. The Council has moved in this matter itself in the direction of restricting the number of questions which any one member may ask in a session. That this would have a good effect we have no doubt, but we think it would probably result in a member who has himself reached the limit of the number of questions allowed passing on further questions to other members who have

still a margin left. The tendency, in fact, would be to make the maximum the normal. We have a suggestion to offer which we think places the matter on a better footing. The Council, as a body, has the right to require an answer to any question, and to any number of questions, whatever amount of work and expenditure may be involved. But neither an individual member, nor a small minority of the members should have this right. The proper test, we think, is whether of not an appreciable number of the members desire to have a question answered. In this view, we consider the best course would be for the President to be given power to refuse to admit a question either on the ground that the importance of the information when obtained would not justify the labour or expense involved in answering the question, or because the question is not one of general interest to the Council. We suggest that this power should be freely used. A member aggrieved by a decision of the President in this matter, should, we think, have the right to require the President to put it to the Council, and if a certain proportion of the non-official members, which we would put at one third, expressed themselves in favour of the question it should be admitted, otherwise the decision of the President should prevail. There would be no debate on this point, the question would merely be put. We believe that this suggestion offers the best solution of the matter, and that, while preserving the right of the Council to obtain such information as it may desire to have, it would enable many superfluous questions to be eliminated, and prevent unnecessary work and expenditure.

#### The Deputy-President.

We think no emoluments should attach to the office of Deputy-President. The duties of the Deputy-President will normally be light, and the dignity and importance of the office are, in themselves, a sufficient return to any member who may be elected to it.

#### Conveyance Hire.

The expenditure on ghari and cooly hire is considerable. The former is explained on the ground that assistants often have to work late in office, on occasions until 9 or 10 p.m., and it is considered desirable to enable them to reach their homes as quickly as possible. It is recognized that there are a few occasions in the year when the Legislative Department is pressed but they are certainly few, and it seems to us to be wrong to give over-time allowances and also ghari hire to an assistant who is detained late. We find that conveyance hire has been paid even when the Council was not in session. We have referred to this matter in the chapter on contingencies, and we feel it is so liable to abuse that the payment of ghari hire should cease altogether, except when an assistant is summoned from his house on urgent business out of office hours. Even then, tram fare would be sufficient unless the matter were so urgent that a quicker means of conveyance was imperative.

The expenditure on cooly hire in this department has averaged over Rs. 120 a month in the current year.

M or detailed head.—Savings—Legislative Council Rs. 20,000, Deputy-President Rs. 5,000, Legislative Department Rs. 2,500, Total Rs. 27,000 and net reduction Rs. 27,500.

#### Commissioners

. One of the most difficult matters we have had to consider is the question of the abolition of the post of Divisional Commissioner. It is a long-standing question that has been brought into special prominence in the last two years, and, if we may judge from the evidence received by us, without decreasing the wide-spread opinion in favour of abolition,

We feel that, in spite of its age, the post of Divisional Commissioner, as an administrative authority of an intermediate character between the districts and Government, requires justification. It is true that it is convenient for Government to have five senior officers who can take a comprehensive view of conditions over a wide area, and who can consolidate the mass of information that District Officers are now required to supply. But we are not convinced that this is necessary, or that it would not be better for Government to be in more direct touch with District Officers by whom the work is actually done. We feel that where advice is received by Government from a Commissioner in regard to district work, it amounts at best to a second opinion.

Our conclusion in this matter is that while Commissioners do useful work, its distribution among other officers in the way we have suggested would lead to no appreciable loss of efficiency. The position of District Officers would be strengthened, and their responsibility less obscured if there were no Commissioners. On the other hand we feel that the office of Commissioner is declining in usefulness and prestige and that, in the conditions that now prevail, its further decline is inevitable. We recommend that the post of Divisional Commissioner be abolished. If this is done there would be a case, we think, for raising three posts of district officers above the time-scale, on a special pay of Rs. 3,000 a month. The net reduction will be Rs. 5,20,000.

#### The Calcutta Police Courts.

The opinion we have formed, after carefully considering the evidence we have received, is that a radical change in the organization and administration of the Calcutta Police Courts is required. The impression we have gained is that the administration of criminal justice in Calcutta is poor, and that heroic measures will be necessary to raise it to a satisfactory level.

One of the first needs is a central criminal court. The division of work between Bankhall Street and Jorabagan makes for duplication of staff, insufficient supervision, and undesirable delays. We suggest that the present buildings of the Imperial Bank if they become available might be suitable, failing which the erection of a building near Central Avenue would probably be most convenient.

The requirement of honorary magistrates is not satisfactory. There are nevertheless 91 honorary magistrates of whom 21 are on the non-effective list, and many do not attend regularly. We consider that honorary magistrates should not hold office as long as they like but as long as Government like and that the next revision of the Criminal Procedure Code should be made the opportunity for securing this in the Presidency towns in the same way as in 1893 it was secured by an amendment in regard to the MUFUSSIL. Retired judicial and magisterial officers should be employed as much as possible and a sufficient number of competent working honorary magistrates obtained. They should be given proper accommodation which until recently was not available to them. If this is done, possibly only three, certainly not more than four stipendiary Magistrates will be required. The Motor Case Court we regard as a luxury.

Two posts of interpreter may be abolished forthwith. We also think that the direct telephone line between the Chief Presidency Magistrate and the Commissioner of Police is a minor luxury that should be dispensed with.

Net reduction Rs. 17,000.

#### District Police

Our first proposal, which has received a large amount of support, both official and non-official, is that police-stations should be amalgamated so as to approximate to the number of stations in 1912. We recognise that this proposal

will be unpopular with that section of the public who have been given an added sense of security in recent years by the opening of new police-stations near to their homes. But it is impossible to effect substantial economy without diminishing to some extent the capacity to render service. And if economy is necessary, as it undoubtedly is, the convenience of the individual must be subordinated to the public good. As a matter of fact we do not believe our recommendation will lead to any real decline in the prevention and detection of crime. Serious crime will continue to be reported as before, and a falling off in the reporting of petty crime will do no real harm.

Quite apart from the capital cost of buildings the extra staff employed to deal with this crime numbers 3,747, excluding sergeants, involving an additional annual charge at present rates of Rs. 11,41,500. On the whole we consider there is ample justification for saving this additional cost, and we recommend it be done, by the abolition of posts equal in number to those created since 1912.

By this proposal over 200 police station will become surplus to requirements. It will probably be possible to select for retention the stations with the best accommodation. The remainder may be sold, or made over to local bodies for use as schools or dispensaries.

In addition to the 20 posts of Inspectors to be abolished by a reversion to the 1912 position, we recommend the abolition of a further 38 posts of circle inspector.

The number of Deputy Superintendents has been increased, but so has the number of assistant superintendents. We are of opinion that the position needs to be re-examined. We would welcome the cadre of deputy superintendents as a means to a reasonable degree of Indianization, but in that case we would require a substantial decrease in the number of assistant superintendents. This course would be in accord with our general views on Indianization, and we recommend that a beginning be made by placing deputy superintendents in charge of some of the smaller districts. If that is not done, however, we would recommend the abolition of the entire cadre, because we feel that, judged from the standpoint of present work, selected inspectors would be an equally satisfactory and a less expensive agency.

Except where it is wholly unavoidable, we are against the employment of additional superintendents of police. The theory of "subordinate alliance" is not very satisfactory in practice, and we consider an assistant or deputy superintendent would be preferable and less expensive. So long as the districts of the 24 Parganas, Midnapore and Mymensingh are their present size, they may require an additional superintendent each, but elsewhere we would dispense with them.

The bulk of the evidence we have received is definitely against the retention of the post of range Deputy Inspector-General. We have given this matter our best consideration and our conclusion is that the total abolition of this post would be a mistake. We recommend the delegation of the less important functions and powers of range Deputy Inspectors-General to superintendents. But when all possible delegation has been made there will remain important work which can be done only by Deputy Inspectors-General or by the Inspector-General. We are opposed to any increase in the work of the Inspector-General's office: we think on grounds of efficiency as well as economy that further centralization would be unfortunate. On the other hand we think it should be considered if some delegation cannot be made by the Inspector-General to his Range Deputy Inspectors-General. We recognize the value of inspection and supervision, but it is not for these that we think it is essential to retain Deputy Inspectors-General. We think they are required for the control of crime. The proposals we have made involve a material reduction of the strength of the

district police force, and to a certain extent the margin of security is thereby lessened. This will necessitate a more economical use of man-power, and a closer vigilance over crime. We have already suggested that each range Deputy Inspector-General should have at his disposal a small force to supplement the ordinary district staffs in dealing with organized crime, such as dacoity. When things go wrong over a wide area prompt and vigorous action is required by an officer above the district superintendent, so that the reserves may be effectively used, and staff withdrawn from quiet areas to where it is most needed. This, it has been suggested, should be done by the Inspector-General, but we think it is necessary to remember the area and population with which the police have to deal, and we regard it as impossible for the Inspector-General to have the immediate and detailed knowledge of local conditions that is so important for prompt and effective action. Moreover large outbreaks of organized crime or serious disturbances cannot be quelled by communications issued from headquarters, but only by a directing hand on the spot. And, manifestly, it would be impossible for the Inspector-General in his own person to be both at Chittagong, and the mill area of the Hooghly district if disturbances occurred at those places simultaneously. In short, we regard this as a matter of security. There are some matters in which action can be deferred, or even neglected, without serious consequences, but lawlessness is not one of them. It would doubtless be reprehensible to delay seriously the disposal of revenue appeals, and to do so would offend against the canons of official responsibility no less than to remain inactive in the face of a widespread outbreak of dacoity. But the consequences to the public in the one case would be altogether different from the consequences in the other. These, in brief, are our reasons for retaining the post of range Deputy Inspector-General. We are of opinion that three range Deputy Inspector-General are sufficient, one in the east, one in the west, and one in the north of the province. We recommend that the frequency of their inspections and the volume of their other duties should be so regulated as to enable them to be real deputies to the Inspector-General in the control of crime and the maintenance of an efficient, honest, and well disciplined force. The remaining two posts we would abolish.

We accept the departmental evidence that one post of assistant Inspector-General can be abolished.

As in the case of the Calcutta police, we recommend that all special duty allowances attached to the Intelligence Branch and the Criminal Investigation Department be discontinued.

Net "reduction" Rs. 26,28,800.

#### CALCUTTA POLICE.

The sanctioned expenditure for the Calcutta police is in the neighbourhood of Rs. 32 lakhs. The force which is about 5,500 strong is in controlled by a Commissioner, 7 deputy commissioners, and 13 assistant commissioners.

Our recommendations, which have the unanimous support of the witnesses we have examined, are that the investigation of crime within the jurisdiction of the High Court should be under the control of one deputy commissioner and that the investigating force for that area and the detective department should be amalgamated.

We consider it desirable that the number of reporting centres both in the town and the suburbs should be reduced. The fact that over Rs. four and half lakhs is now spent annually in rent, rates, and taxes for police buildings in Calcutta shows the need for economy, and the importance of a building



programme. There are twelve reporting centres in the High Court jurisdiction with two outposts to each.

We think five reporting centres would be sufficient for this area, and we suggest the following :—

**PRESENT REPORTING CENTRES.**

Hare Street and Bowbazar  
Hurrahazar, Sukia Street,  
and Jorahanko.

Jorabagan, Burtolla and  
Shampukur

Taltollah, Park Street and  
muchipara  
Hastings

**PROPOSED REPORTING CENTRES.**

Labbazar.

One near Central Avenue

One near Beadon Street.

Taltollah

Hastings.

These proposals would relieve the revenues immediately of some heavy items of rent and ultimately of a large sum. We consider it most important that the present extravagance in the matter of buildings should cease. This can only be done by reducing the buildings to the smallest number compatible with good administration and by erecting suitable Government buildings. If necessary, we think a loan should be taken forthwith for this purpose.

We also recommend a decrease in the number of thanas in the suburban area. Our suggestions are shown below :—

**PRESENT STATIONS**

Cassipur and Chitpur

Maniktolla and Belliaghatta

Entally and Beniapurkur

**PROPOSED STATION.**

Chitpur.

Balliaghatta.

Entally.

Further examination would probably disclose other instances where amalgamation is possible. The town area, however, is the serious problem and in our opinion should be tackled at once.

We consider there is much scope for economy in patrols. Patrol posts should be reduced and concentrated. This again will involve building, but it will make for economy in the end. We have good authority for saying that by reorganizing the beats, and making use of motor transport for the reserve at headquarters, a reduction could be made of 500 patrol constables, and a corresponding number of sergeants.

**NEED CONCENTRATION.**

The Calcutta police force is too large and too scattered. The police force of Glasgow numbers 2,000, and it should not be necessary to maintain a force of more than two and a half times that number in Calcutta. We have not up-to-date figures of the police forces of Bombay and Madras cities, but those that are available show that in reference to area and population the Calcutta staff is the highest. The remedy, we believe, is in a scheme of concentration such as we have indicated. It is not possible for us to go into details, the scheme will have to be worked out, and in doing so it is important to remember that every superfluous officer and man costs, in addition to his pay, a large re-curring sum for accommodation, kit and supervision. The building programme we have advocated will not increase expenditure, for the amount now spent in rent alone would provide the interest and sinking fund for a loan of half a crore of rupees.

## REDUCTION OF STAFF.

In the city proper our proposals will enable 4 Inspectors and 12 Sub-inspectors to be dispensed with at once from the investigating staff, and a much larger reduction will be possible when the scheme is fully worked. Some reduction will also be possible in the suburban area. The patrol force should be reduced as we have already indicated, and considerable saving could be effected by using motor transport freely for escort work. In addition to one post of Deputy Commissioner, which by our proposal becomes necessary, we think the number of Assistant Commissioners can also be reduced. We would allow two Assistant Commissioners for the jurisdiction of the High Court—one for investigation and one for patrol. One assistant commissioner for both investigation and patrol should suffice for the suburban area. An Assistant Commissioner for the Goonda Department we regard as unnecessary. In superior staff, therefore, our recommendation so far is that the posts of one Deputy Commissioner and three Assistant Commissioners should be abolished.

Under the Criminal Procedure Code the Calcutta police have no power to refuse to investigate. This must entail much unnecessary work, and we accept the general opinion that the law should be modified in this respect. We regard the Goonda Bill now under consideration as a measure that will lead to a diminution in crime and when it has passed into law, and the Calcutta police have power to refuse investigation, the volume of work to be dealt with by the investigation staff should materially decrease. There should then be a corresponding decrease in personnel not only under patrol.

In view of present conditions we recommend a reduction of the staff of the special branch by one-third, and the abolition of the post of Deputy Commissioner in charge. Except when political crime is widespread and serious we consider the special branch should be under the direct control of the Commissioner of Police. The official evidence supports this view.

## PORT POLICE.

We have proposed that the Deputy Commissioner in charge of the Port Police should assume responsibility for part of the patrol of the city proper. Although we think the work of this branch is light, we see advantages in retaining an officer of the rank of Deputy Commissioner at its head. We think, however, that the post of the Assistant Commissioner, Port Police, should be abolished. The first division Port Police station may be dispensed with. Two River Police stations are ample. We also consider that it must be more economical and not less efficient if motor boats were substituted for at least two of the three patrol steam launches. Sanction still remains for 6 head constables and 42 constables for the dockyard, although only about 6 men are employed. The sanction might be revised, as it offers an unnecessary temptation in the matter of reappropriation.

We consider that in the present state of provincial finances the Training College should be abolished. Constables can receive training at Sardah which we propose should be retained in part.

We do not think it is necessary to employ an Assistant Commissioner for the Arms Act work, as well as an Assistant Commissioner for headquarters. We would retain the latter and place an Inspector under his control in charge of the arms work.

The Public Vehicles Department does not require two Assistant Commissioners. We consider the hackney carriage work can be done by an Inspector.

We accordingly, recommend the following superior staff in addition to the Commissioner :—

- 1 Deputy Commissioner for investigation in the city proper,
  - 1 Deputy Commissioner for investigation and patrol in the suburban area,
  - 1 Deputy Commissioner for the Port Police, and patrol,
  - 1 Deputy Commissioner for the Public Vehicles Department and patrol,
  - 1 Deputy Commissioner for headquarters,
  - 2 Assistant Commissioners for the city proper,
  - 1 Assistant Commissioner for the suburban area,
  - 1 Assistant Commissioner for the Special Branch,
  - 1 Assistant Commissioner for the Public Vehicles Department,
  - 1 Assistant Commissioner for headquarters,
- making a total of 5 Deputy Commissioners, and 6 Assistant Commissioners.

#### ALLOWANCES.

It follows from our proposals to amalgamate the detective department and the investigating staff in the city proper that the joint staff will be engaged in the single duty of investigation. The allowances now given to the officers and men of the detective department will then be without justification and should be withdrawn. We have been advised that all special (duty) allowances now given to the various branches of the force should be done away with, and recommend that this be done forthwith.

## REPORT OF THE Bombay Retrenchment Committee

The Report of the Retrenchment Committee appointed by the Government of Bombay in July, 1921, was published in March 1923. When first constituted the Committee consisted of the following members of the Legislative Council :—

Rao Bahadur G. K. Sathe, C.I.E. ; Sardar Naharsinghji Ishwarsinghji, Thakor of Amod ; Cowasji Jehangir, Esq., C.I.E. O.B.E. ; Rao Bahadur G. K. Chitale ; I. S. Haji, Esq. ; P. R. Chikodi, Esq. ; J. A. Powar Esq. ; B. G. Pahalajani, Esq.

Mr. Cowasji Jehangir subsequently retired from the Committee on his appointment as Member of Council and the late Rao Bahadur Sathe resigned on the 18th September, 1922, on grounds of ill-health after doing work as Chairman of the Committee from its inception. Rao Bahadur D. A. Vichare, M. L. C., and Mr. C. M. Gandhi, M.L.C., were appointed on the 5th October, 1922, to fill the two vacancies on the Committee, and from that time onwards Mr. C. M. Gandhi conducted the business of the Committee as Chairman. The report is that of the majority of the Committee, and minutes of dissent on certain points by individual members were appended.

### FINANCIAL RESULTS.

The Committee deals at length with the questions of the Public Services and allowances and with each Department of Government separately, and says :—

In the case of Departments not mentioned individually we have examined the expenditure generally, but have no specific recommendations to make.

In the Appendix to this Report we have exhibited the approximate savings resulting from our detailed proposals so far as they are capable of calculation. In the case of many other recommendations no calculations could be made owing either to the nature of the subject or to the absence of definite data. While therefore the retrenchments which we have calculated amount to a grand total of 87½ lakhs, it will be understood that this amount does not represent the final total of the retrenchment which would result from our various proposals.

## REPORT OF THE ESTIMATED SAVINGS

[BOMBAY]

### GENERAL ADMINISTRATION

Reduction in the pay of Indian Executive Councillors and Ministers from Rs. 5,333-5-4 to Rs. 3,000 per mensem,—Saving, Rs. 1,40,000 ; Abolition of the posts of Secretaries, Revenue and General Departments, Rs. 70,500 ; Abolition of the posts of Deputy Secretaries, Revenue, General and Home Departments, Rs. 76,500 ; Abolition of the posts of five Assistant Secretaries, viz., 2 of Revenue Department, 2 of General Department and 1 of Home Department Rs. 46,800 ; Abolition of two-thirds of the whole cost of clerical establishment in Revenue Department, Rs. 1,00,080 ; Abolition of two-thirds of the clerical establishment in General Department excluding 1 branch dealing in Ecclesiastical and Marine work, Rs. 95,260 ; Abolition of two-thirds or three-fifths of the whole cost of clerical establishment in Home Department, Rs. 51,768 ; Discontinuance of "B" Proceedings, Rs. 40,000. Total saving; Rs. 6,20,908.

### AGRICULTURAL DEPARTMENT

Abolition of 3 Divisional Inspectors on Rs. 250-20-750 per mensem, Rs. 18,000 ; Substitution of 7 Provincial Service Officers on Rs. 250-500 per mensem for 7 Imperial Service Officers on Rs. 500-1-750 per mensem at Deputy Directors, Rs. 63,000 ; Abolition of 3 Experts—2 on Rs. 350-50-1,500,—Rs. 22,200, 1 on Rs. 250-20-750, Rs. 5,700, Total—Rs. 27,900 ; Abolition of establishment under the above officers, Rs. 19,221 ; Conversion of 2 Experts on Rs. 350-50-1,500 and 3 Professors of Agricultural College on Rs. 500-50-1,750 in the Imperial Service into 5 Provincial appointments on Rs. 550-750, Rs. 23,700 ; Abolition of 7 Cotton Superintendents and Cotton Breeders on Rs. 250-20-750 per mensem, Rs. 42,000 ; Abolition of 8 experimental and demonstrational farms, as well as those at Larkana and Sukkur, Rs. 1,06,720 ; Hydraulic Boring operations (cost to be borne by the persons benefited), Rs. 53,700 ; Abolition of 2 Price Inspectors on Rs. 150-5-200, Rs. 4,140 ; 20 per cent. reduction in the clerical establishment of the Director's office, Rs. 6,558. Total saving Rs. 3,64,939.

### CIVIL VETERINARY DEPARTMENTS

#### PRESIDENCY PROPER.

Difference of pay of the Superintendent between the present scale of Rs. 500-50-1,750, and the proposed scale of Rs. 550-25-750, —Rs. 5,400 ; Difference of pay of the Deputy Superintendent between the present scale of Rs. 250-25-550-25-750 and the proposed scale

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of Rs. 250-20 450/E. B.-25/2-500—Rs. 1,500 ; Abolition of 1 clerk on Rs. 140-5-200 and 1 clerk on Rs. 30-5/2-95.—Rs. 2,730-5. Total—Rs. 9,630-5.

#### **SIND.**

Substitution of Deputy Superintendent on the scale of Rs. 250-20-450-25/2-500 for the Superintendent on Rs. 500-50 1,750,—Rs. 8,580 ; Substitution of 1 Inspector on Rs. 150 5 200 for 1 Deputy Superintendent on Rs. 250 25-550 25-750,—Rs. 3,930 ; Conversion of 1 clerical appointment on Rs. 150-5 200 into that on Rs. 30-5/2-80.—Rs. 1,425 ; abolition of dispensary allowances Rs. 1380. Total Rs. 15,315.

Grand Total for Presidency Proper and Sind, Rs. 24,945-5

#### **CO-OPERATIVE DEPARTMENT.**

Saving resulting in travelling allowance on account of abolition of Divisional Honorary Organizers, Rs. 4,000 ; Saving resulting in travelling allowance on account of reduction by 1/3rd of the District and Taluka Honorary Organizers, Rs. 8,000 ; Adherence to the limit of Travelling Allowance rule already prescribed, viz., Rs. 60 per mensem to District and Rs. 30 for Taluka Honorary Organizers, Rs. 5,000 ; Reduction in the pay of 12 Auditors from Rs. 200-10-300 and of 19 Auditors from Rs. 150 5-200 to Rs. 100 5-200 per mensem, Rs. 43,698 ; Reduction in the pay of 6 Assistant Registrars and 2 Special Auditors from Rs. 300—750 to Rs. 250—500 per mensem,—Rs. 14,400. Discontinuance of Duty Allowance of Rs. 100 per mensem paid to the Personal Assistant to Registrar and 2 Assistant Registrars, Rs. 3,600 ; Discontinuance of Duty Allowance of Rs. 150 per mensem paid to Registrar, Rs. 1,800 ; Reduction of 1 peon in each of the Offices of Assistant Registers, C. D., S. D., (Bombay Division and Sind Division) Rs. 768. Total saving Rs. 81,266.

#### **EDUCATIONAL DEPARTMENT**

Abolition of overseas pay granted to officers promoted from provincial Educational Service to Imperial Educational Service, Rs. 9,000 ; Abolition of the posts of Inspector of Drawing and Inspector of Science Teaching, Rs. 24,600 ; Reduction in the staff at the Sydenham College of Commerce, Rs. 10,800 ; Reduction of 15 teachers in High Schools, Rs. 24,300 ; Abolition of Prisoner's School at Poona, Rs. 1,651 ; Abolition of the cost of the Manora School now met from the Provincial revenues, Rs. 1,176 ; Abolition of cadet grants, Rs. 3,500 ; of the post of Sub Assistant Surgeon attached to the Convent School, Poona, Rs. 1,560 ; Reduction of the grant for Sloyd allowance from Rs. 4,450 to 1,600,—

**Rs. 2,850 ; Abolition of the post of Sub-Assistant Surgeon attached to the Deccan College and abolition of the allowance on this account to the Civil Surgeon, Rs. 2,760; Reduction in the allowances granted to the Sub-Assistant Surgeons employed at the Training Colleges at Poona and Dhulia from Rs. 50 to Rs. 25—Rs. 600 ; Deduction of remuneration paid to Doctors attending on the Training Schools at Nediad and Hubli from Rs. 30 to Rs. 30 to Rs. 10.—Rs. 480 ; Abolition of 20 clerks from Educational Institutions, Rs. 13,200. Total saving, Rs. 96,477.**

#### **EXCISE DEPARTMENT.**

**Separation of Salt and Excise subordinate establishments and their accounts Rs. 2,00,000; Abolition of 1 post of Deputy Commissioner, Rs. 19,700 ; Reduction of preventive staff, including menials and clerks to strength required for detection only and redistribution of their grades, Rs. 4,00,000 ;**

**Reduction of 5 Inspectors' posts in the grade of Rs. 400-20-500 and 4 in the grade of Rs. 350-10 400 to the grade of Rs. 220-10 300 Rs. 16,932 ; Replacement of Inspectors in charge of warehouses at Ratnagiri, Ahmedabad, Satara and Sholapur and the Assistant Inspectors in charge of the warehouses at Jalgaon and Thana by Sub-Inspectors Rs. 7,910 ; Abolition of Excise clerks in Revenue offices Rs. 18,000 ; Reduction of Patta establishment in excess of the scale of 6 peons for a Deputy Commissioner and 4 for a Superintendent and abolition of 6 peons of the office of the Deputy Commissioner reduced—Rs. 4,730 ; Adoption of Police rules for travelling allowance of menials and adoption of permanent travelling allowance for Excise officers—Rs. 50,000 ; Total Rs. 7,17,2721.**

#### **Proposals initiated within the Department :—**

**Reduction of 6 Inspectors and 2 Sub Inspectors in Bombay Rs. 23,791-2 ; reduction of 46 peons Distillery Branch Rs. 11,481-6 ; Replacement of 3 Warehouse Inspectors by Assistant Inspectors Rs. 3,632-4 ; Reduction of peons attached to Excise charges already abolished (about) Rs. 17,388 ; Abolition of 6 men of Excise Boat establishment Rs. 1,660 8 ; Reduction of staff on the closure of distilleries at Godhra, Surat, Dhulia and Wadia, including Supervisors Rs. 94,000 ; Total Rs. 1,51,954 ; Grand Total Rs. 8,69,226.**

#### **FACTORY, BOILER AND SMOKE NUISANCES DEPARTMENT.**

**Whole cost of Boiler inspection to be recovered from the owners —Rs. 33,900 ; (Budget provision for this purpose Rs. 1,08,400 ; Fees now recovered Rs. 74,500) Cost of smoke nuisances inspection to be recovered from Municipalities—Rs. 22,000; Recovery of fees to be paid to certifying Surgeons from the factories which**

require certification Rs. 10,060 ; Reduction of pay of Factory Inspectors from Rs. 400-30-900 to Rs. 250-500—Rs. 29,700 ; Limitation of monthly travelling allowance to Rs. 200 for each of the 4 Divisional Inspectors, Rs. 17,640 ; Reduction of pay of 2 clerks stationed at Ahmedabad from Rs. 60-4-100-3-160 to Rs. 30 5-2-80, Rs. 1,320 ; Total saving Rs. 1,14,620.

#### FOREST DEPARTMENT.

Abolition of the post of the Chief Conservator Rs. 31,350 ; Abolition of the post of Personal Assistant (Extra Assistant Conservator) to the Chief Conservator Rs. 4,800 ; Conservator Rs. 11,791 ; Conversion of the post of the Conservator in Sind into that of Deputy Conservator Rs. 7,800 ; Reduction of 1 post of Divisional Forest Officer by redistribution of the Larkana, Shikapur and Sukkur Divisions Rs. 11,850 ; Substitution of 2 Junior Provincial Forest Officers for 2 Imperial Officers for 2 Divisions, viz., Satara and Dharwar-Bijapur, Rs. 14,100 ; Abolition of duty allowance of Rs. 100 paid to 7 Extra Assistant Conservators Rs. 8,400 ; Total saving Rs. 90,691.

#### DEPARTMENT OF INDUSTRIES.

Direction Rs. 75,905 ; Superintendence Rs. 61,131 ; Industrial Education Rs. 22,590 ; Industrial Development Rs. 66,060 ; Miscellaneous Rs. 29,900 ; Total saving Rs. 2,56,486.

#### MEDICAL DEPARTMENT.

Abolition of the posts of Registrars of District Courts and consequent reduction of 10 posts in Sub-Judge's cadre Rs. 63,720 ; Abolition of 1 post in each case out of two Nazirs for First Class Sub-Judge's Court and District Judge's Court however they are in close proximity Rs. 20,919 ; Abolition of separate appointments of clerks of the Court and Nazir in linked Courts, i.e., retention of 1 post instead of 2, Rs. 10,000 ; Abolition of separate appointments of Civil and Criminal Shirastedars in District Courts i.e., retention of 1 appointment instead of 2, Rs. 20,919 ; Abolition of Registrars attached to the Small Causes Courts at Ahmedabad, Karachi and Poona Rs. 6,210 ; Total saving Rs. 1,21,768.

#### REVENUE DEPARTMENT.

##### PRESIDENCY PROPER.

Reduction of 33 per cent of Talatis Rs. 6,25,000 ; Abolition of 19 District Deputy Collectors, i.e., 1 from each District, Rs. 2,75,000 ; Abolition of 9 Huzur Deputy Collectors from Districts where branches of Imperial Bank are situated, Rs. 50,000 ; Abolition



of 19, i.e., all District Inspectors of Land Rs. 63,000 ; Abolition of Village Havildars Rs. 1,25,000 ; Total Rs. 11,38,000.

### SIND

Abolition of the posts of 2 Provincial Service Assistant Commissioners including allowances attached to these posts Rs. 19,704 ; Abolition of menial establishment under the above officers Rs. 1,200 ; Abolition of the post of the Office Superintendent in the office of the Commissioner in Sind including house-rent allowance attached to the post Rs. 4,500 ; Abolition of U. S. F. District Rs. 25,000 ; Abolition of Ubauro Sub-Division Rs. 6,660 ; Abolition of the establishment, saving on account of T. A. and contingencies Rs. 3,000 ; Abolition of 3 Huzur Deputy Collectors Rs. 18,036 ; Conversion of 4 Distardars into Chitnisas Rs. 12,336 ; Conversion of 2 City Magistrates into Resident Magistrates Rs. 6,168 ; Conversion of 5 posts of Mukhtiarkars into those of Muhalkaris Rs. 6,140 ; Reorganization of Village establishment Rs. 300,000 ; Reduction in the number of peons Rs. 23,000 ; Total Rs. 4,25,744 ; Grand Total Rs. 15,63,744.

### MEDICAL DEPARTMENT.

Replacement of 8 Indian Medical Service Officers by Bombay Medical Service Officers Rs. 60,000 ; Reduction of  $\frac{1}{2}$  present strength of Medical School, Hyderabad, Rs. 17,940 ; Reduction in the scale of the pay of Subordinate Medical Service Officers from Rs. 67-7-200 to Rs. 60—150 ; total strength 506—Rs. 1,51,800 ; Abolition of the Personal Assistant (Captain or Major) to Surgeon General, Rs. 13,800 ; Abolition of the present Office Superintendent, pay Rs. 300-16 350—Rs. 3,870 ; Total Rs. 2,47,410 ; Add against this non-Medical Personal Assistant to Surgeon-General on Rs. 300-10-450 per mensem Rs. 4,500 ; Total saving Rs. 2,42,910.

### POLICE DEPARTMENT

#### PRESIDENCY PROPER.

Abolition of 3,178 unarmed Constables and Head Constables at rural police stations and outposts—Rs. 15,70,400 ; Addition of 400 un-armed Constables and Head Constables at urban police stations—Rs. 1,28,612 ; Abolition of 62 Executive Sub-Inspectors Rs. 1,42,104 ; Abolition of 16 Prosecuting Sub-Inspectors Rs. 54,144 ; Abolition of 60 District Inspectors of rural circles Rs. 3,27,156 ; Abolition of 2 Deputy Inspectors General, Northern Range and Southern Range Rs. 50,688 ; total Rs. 22,73,104.

## SIND.

Abolition of 498 unarmed Constables and Head Constables at rural police stations and outposts Rs. 2,21,246; Abolition of 215 unarmed Constables and Head Constables at urban police stations Rs. 90,042; Abolition of 21 Executive Sub-Inspectors Rs. 48,132; Abolition of 2 Presidency Sub-Inspectors Rs. 6,768; Abolition of 20 District-Inspectors of rural circles Rs. 1,09,536; Total Rs. 4,75,724; Grand Total Rs. 27,48,828.

## PUBLIC HEALTH DEPARTMENT.

Reduction of 18 clerks engaged on compilation work Rs. 11,880; Reduction of clerical establishment in Director of Public Health and Assistant Director of Public Health's Offices from 64 to 58 and reduction of their pay—Rs. 12,720; Abolition of 5 Assistant Directors of Public Health Rs. 70,398; Abolition of their clerical establishments exclusive of I and II, Rs. 38,950; Abolition of the menial establishments of Assistant Directors of Public Health 25 peons at 16-1—Rs. 4,824; Abolition of Inspectors' posts on Rs. 75 to 150 Rs. 43,200; Abolition of Director of Public Health Rs. 27,600; Abolition of Personal Assistant to Director of Public Health Rs. 4,466; Total Rs. 2,14,038.

Against this add 2/3rds of the cost of:—21 District Health Officers—7 on Rs. 250—350, 7 on Rs. 300—500, 7 on Rs. 500—750—Rs. 74,200; 1 Assistant Director of Public Health as Personal Assistant to Surgeon-General, Rs. 10,500. Total Rs. 84,700. Total saving Rs. 1,29,338.

## PUBLIC WORKS DEPARTMENT.

Reduction of 30 per cent. sub-divisions in the Presidency, Rs. 2,44,906; Reduction of 25 per cent. sub-divisions in Sind, Rs. 90,000; Reduction of 2 clerks per sub-division abolished, Rs. 62,400; Abolition of Chief Engineer in Sind, Rs. 34,350; Abolition of duty allowance to 2 Chief Engineers at Rs. 250 per mensem, Rs. 6,000; Abolition of Chief Engineer's Office, Sind, Rs. 57,600; contingencies and travelling allowance of Chief Engineers' office, Sind, 15,466; Reduction of 1 Superintending Engineer in the Presidency; Rs. 23,160; Abolition of office of Superintending Engineer (including contingencies and travelling allowance). Rs. 59,404; Abolition of the Superintending Engineer, Sukkur Barrage Project, Rs. 23,160; Reduction of 10 Executive Engineers—5—India recruited on Rs. 550—1,300 per mensem, 5—Europe recruited on Rs. 775—1625 per mensem, add against this 1 Sub-Divisional Officer of Bombay Engineering Service for Indus Gauging District, Rs. 1,21,500; Reduction of 75 per cent. of the office establishments of the above, Rs. 1,02,086; Abolition of Executive staffs under:—(a) Sanitary

Engineer, (b) Electrical Engineer, (c) Architectural District (half), Rs. 2,89,519; Abolition of Mechanical Engineer, Rs. 35,500; Abolition of Sub-Divisional allowances, Rs. 1,24,820; Reduction of clerks per district, Rs. 48,699; Reduction in the Accounts staff :— 10 Accountants of the districts to be abolished, 3 Clerks, 52 Auditors,—Rs. 57,300; Amalgamation of Accounts Office where Executive Engineers' Offices are located at the same Head-quarters, 3 Accountants, Rs. 27,300; Reduction in the Secretariat staff, Rs. 29,000. Total saving Rs. 14,52,170.

### The Total Saving

The total saving recommended by the Committee amounts to Rs. 87½ lakhs which is distributed as follows among the different Departments :—

General Administration	..	..	6,20,908	o
Agriculture Department	..	..	3,64,939	o
Civil Veterinary Department	..	..	24,945	5
Co-operative Department	..	..	81,266	o
Education Department	...	..	96,477	o
Excise Department	..	..	8,69,226	o
Factory, Boiler and smoke Nuisances Department	..	..	1,14,620	o
Forest Department	..	..	90,091	o
Industries Department	..	..	2,56,486	o
Judicial Department	..	..	1,21,768	o
Revenue Department	..	..	15,63,744	o
Medical Department	..	..	2,42,910	o
Police Department	..	..	27,48,828	o
Public Health Department	..	..	1,29,338	o
Public Works Department	..	..	14,52,170	o

### The Main Cuts

Among the main cuts are reduction in the pay of Indian Executive Councillors and Ministers from Rs. 5,333-5-4 to Rs. 3000 per month ; abolition of the posts of 2 Secretaries, 3 Deputy Secretaries, and 5 Assistant Secretaries ; abolition of the posts of Chief Conservator of Forests ; reduction of 33 per cent of Talatis ; abolition of 19 District Deputy Collectors and 9 Huzar Deputy Collectors, abolition of 2 Deputy Inspectors-General of Police and of 3,178 unarmed Constables and Head Constables at rural police stations and outposts ; abolition of the Director of Public Health ; reduction of 1 Superintending Engineer and 10 Executive Engineers and abolition of the post of Mechanical Engineers.

The Chairman Mr. C. M. Gandhi in his Minute of dissent does not approve of the transfer of the entire Secretariat from Bombay to Poona, for in his opinion, other considerations far outweigh those of mere economy which are urged in favour of the suggested transfer.

The following is the Appendix to the Report :—

Writing about the Public Services the Committee says :—

There is no subject which we feel demands graver consideration from us as a Retrenchment Committee than the organization and pay of the Public Services. The creation or abolition of an individual appointment are matters which can be adjusted at any time and concern only the present expenditure ; but every decision on a point connected with the general organization of a cadre—its recruitment, composition, pay or prospects—constitutes a commitment the consequences of which extend far into the future. The vested interests so created may absolutely preclude any remedy for many years even if the step taken is found to be a false one ; and the financial effect of any decision is, therefore, cumulative.

While, therefore, we have dealt under the several departments concerned with cases in which the staff employed seems to us excessive or its functions appear capable of curtailment, we propose at the outset to deal more generally with the principles which in our opinion should determine the future policy to be pursued with regard to the Public Services. We recognize that such questions do not affect the rights of their existing members but they may affect recruitment in the immediate future and it is therefore of the utmost importance to decide at once whether the present system is best adopted to meet the probable requirements of the future.

We are instructed that our terms of reference do not include an invitation to examine the pay or cadre of any Imperial Service as such, and we have therefore refrained from making any recommendations regarding the extent to which these cadres are capable of provincialization, except in particular instances. But it is, we believe open to us to indicate the lines on which, in our opinion, the indianization of Services should in future proceed and to suggest the general organization and pay of the Provincial Services which we consider compatible with such a scheme.

The result of the recommendations of the Public Service Commission has been to leave unaltered the two main divisions of the Services, *viz.*, Imperial and Provincial, but the fact that the Imperial Services are now to a very large extent recruited in India has in our opinion destroyed the chief reason for differential treatment so far as Indians are concerned. So far as we can observe the Indian recruits so obtained do not, as a class, possess any ver

marked superiority of qualifications compared with those recruited into the Provincial Services on Indian rates of pay. In dealing with the Educational Department, we have had occasion to notice that a number of officers have been transferred from the Provincial to the Indian Educational Service apparently with no other object than to secure the necessary percentage of Indian recruitment in the latter. We desire to record our emphatic conviction that if Indianization merely means a substitution of very highly paid Indian Imperial officers for Provincial officers it does more harm than good, since an entirely false standard of pay is thus set up for Indian officers who will render the future administration of the country most unnecessarily expensive. We see some evidence of this innovation in the revised rate of pay which have recently been sanctioned for the Provincial Services themselves. We hold strongly that the pay fixed for the Imperial cadre ought not in any way to affect the standard of pay for Indians employed in the Public Services in India, least of all when their numerical proportion is increasing and is likely to preponderate in the future. We are not concerned with the pay of the Imperial Services but we observe that the rates adopted for them are based on the assumption that recruitment will be mainly European in character and they are accordingly determined by what is necessary to secure Europeans of the best qualifications and to compensate them for the additional expenses involved in their expatriation. We believe that the policy of equal pay for Europeans and Indians was adopted with the best of intentions and we will concede that there may have been some justification for it when the Indian element in the Imperial Services was extremely small and obtained by recruitment in Europe ; but the rates of pay now assigned to the Imperial Services were never conceived for services predominantly Indian in character or containing Indians in such numbers as to form a large proportion of the cadre. We would here observe that we see no advantage whatever in an arrangement which enables an Indian recruit to be posted to a province which is not his own and requires higher pay on that account. In our opinion, the only basis of recruitment for Indians should in future be Provincial, and the rates fixed should be those which are sufficient to attract Indians of suitable qualifications for service in their own province without any reference whatever to the pay of All-India-Services. The latter should thus be confined to Europeans recruited in England.

If this principle is adopted, it follows that the existing distinction between the Indian cadres of the All-India Services and the Provincial Services will disappear. In future we need contemplate only Service for Indian on a Provincial basis, and the pay of th

Provincial Service thus recognized will have to include provision for all appointments hitherto open only to the All-India cadres as well as for the appointments formerly known as "listed" posts. We are not here discussing the rate at which the All-India Services are capable of provincialization: we merely express our opinion that the Indianization of these Services must mean provincialization, and that instead of perpetuating an arrangement which involves a meaningless distinction between the pay of Indians of the same qualifications, a commencement should as soon as possible be made in building up in this manner real Indian Service under the full control of the Legislative Councils and on the most economical lines.

We would add that even where existing facilities in India do not provide the means of obtaining the training required for certain posts in the Imperial cadres, we see no reason why the fact that a recruit has undergone a few years training in Europe should affect his pay during the whole of his service. If European training is essentially necessary it would be far cheaper to pay the actual expenses involved in deputing a Provincial officer to obtain that training wherever it is available, after which he would have no further claim for differential treatment.

In considering what rates of pay would be generally suitable for a Provincial Service so organized, we have been struck by the very considerable and often quite inexplicable differences between the scales of pay now assigned to posts of similar classes in different branches of the Provincial Service. We find for instance that the pay ordinarily range from Rs. 250/- to Rs. 750/- in the Forest, Engineering, Agricultural and Civil Veterinary Departments, but in the Police the range is only from Rs. 200/- to Rs. 600/- (apart from a selection grade of Rs. 700/-) and in the Educational Department it extends from Rs. 250/- to Rs. 800/- including a selection grade. The Salt and Excise and the Medical Services again have scales of their own, while in the Bombay Civil Service, including the Executive and Judicial branches, the pay ranges from Rs. 300 to Rs. 850 with a selection grade of Rs. 1,000 to Rs. 1,200.

While we recognize the case for differential treatment of the Bombay Civil Service, in which the heavier responsibilities require the best type of recruits available, as regards other Services we would lay down the general principle that men of similar qualifications holding appointments of similar rank should as a general rule receive a similar rate of pay, this being determined mainly on the basis of what qualifications are required and not by the value placed upon their individual duties. Thus competition between the different branches of the Provincial Service would disappear and men of similar ability would be attracted to all Departments.

We have taken evidence regarding the possibility of introducing some such standard rates of pay in all Departments and also as regards the range of pay which would be suitable for different classes of appointments in a Provincial Service constituted in the manners we contemplate. The amount of divergence of opinion revealed by the answers to our questions addressed to Heads of Departments clearly indicates that not very much thought has hitherto been given to the matter from this point of view and that widely different notions prevail regarding the pay suitable for Indians of the best qualifications. We, therefore, consider that it would be useful to lay down what we consider suitable rates of pay for Indians holding various classes of appointments in the Provincial Services. For this purpose we think that three classes of appointments may be recognized, the lowest class representing appointments of the kind now held by Provincial officers and junior members of the All-India Services, the next class representing superior appointments transferred from the Imperial to the Provincial Service, under the scheme which we have outlined and the highest class representing appointments of superior rank among the latter. Selection appointments such as those of Heads of Departments will also require the provision of a separate scale of pay if they are filled by Indians promoted from the Provincial Service.

For the purpose of determining the rates of pay suitable for these different classes of appointments we must divide the Provincial Service into two major groups, one including the Executive and Judicial branches of Bombay Civil Service and the other including the remaining services now recognized as district.

For the Executive and Judicial branches of the Bombay Civil Service we suggest a common scale of pay. For the third class, comprising the officers now ranked as Assistant or Deputy Collector and Assistant and Subordinate Judges, we propose scale of Rs. 200-250-300-50/2-550 (efficiency bar) 600-50/2-850. For Collectors and District Judges, who will form the next superior class, we propose a pay of Rs. 1,100-100-1,600. The highest class would consist of any Provincial officer appointed to hold posts now reserved as selection appointments for the Indian Civil Service, such as those of Commissioners or Secretaries to Government, and for these we would propose a pay of Rs. 1,700-100-2000.

As regards the other Services we are aware that in some cases differences of organization, recruitment or work may make it difficult to apply exactly the same scale to all, but as a general guide to the rates of pay which we consider suitable we would lay down the following scale as applicable to the Police, Public Works, Forest, Agricultural, Civil Veterinary and Educational Departments :—

(1) For Class III, including such officers as Assistant Conservators, Deputy Superintendents of Police, Deputy Educational Inspectors, Assistant Engineers, Deputy Directors of Agriculture, etc :—

Rs. 200 240 20-500.

(2) For Class II, comprising such officers as District Superintendents of Police, Executive Engineers, Divisional Forest Officers, Agricultural Experts, Superintendent of the Civil Veterinary Department, Principals and Professors of Colleges, etc :—

Rs. 550-50/2-750.

(3) For Class I, comprising such officers as Superin'tending Engineers, Conservators of Forests, Deputy Inspectors General of Police :—

Rs. 900-60-1,200.

Above this group there will remain the posts of Heads of Departments, such as the Director of Agriculture, Inspector General of Police, Chief Engineer, Director of Public Instruction. For these officers we would reserve a grade of Rs. 1,500-100-1,800 if the posts are filled by Indians of the Provincial Service.

Since the financial effects of a reorganization of the Indian Public Services on the above lines could not be realized within a stated time, and would depend in the first instance on what steps were taken to regulate recruitment into the All India i.e., European Services, no useful purpose would be served by attempting to calculate the total savings involved in such a scheme. We have however taken into account the savings resulting from any specific recommendations of the above nature which we have made in dealing with individual Departments in the succeeding sections of our report, and would here merely draw attention to the fact that such savings represent only a very small proportion of those which are capable of gradual realisation by the introduction of the principles which we have above advocated. Finally we would urge that a beginning should be made at the earliest possible date by stopping the recruitment of Indians into the All-India Services and by revising the terms on which Indians are hereafter recruited into the Provincial Services.

### Mr. B. Pahaljani's Minute of Dissent

Mr. B. G. Pahaljani in his Minute of Dissent writes :—

If this report is interpreted to mean that this Committee is of opinion that the salaries of the Imperial Services are not too high or do not require reduction, I cannot agree with it. Willing as the Committee was to consider the question, a recent Govt. Order received from the Government of India prevented it from a detailed consideration of it. I am of opinion that a considerable saving



could be effected by giving effect to the Government of India's last communique of August 1921 as regards giving listed appointments to officers of the Provincial Service. Rules and orders of 1879 reserved  $\frac{1}{4}$ th of superior appointments to be so given. In 1921, a resolution was carried in the Legislative Assembly that the proportion should reach  $\frac{1}{4}$ th. The Provincial Governments were asked to bring up the proportion to  $\frac{1}{4}$ th. We had in evidence, I believe, from the Chief Secretary that even  $\frac{1}{4}$ th had not been reached. If this resolution and the desire of the Government of India were seriously acted upon by this Government, a considerable saving is possible in the salaries and allowances and leave allowances of the incumbents. But apart from this, I am entirely at one with the Committee in thinking that time is now come when Indians should not wish to have equal pay with Europeans, and that the fastest way is to cheapen it by making them alive to the necessity of economy and by accepting less pay.

#### COMMISSIONER IN SIND.

I cannot see my way to agree with the opinion of the Committee (which, however, was formed during my absence from the meeting on account of unavoidable circumstances) that the case of the Commissioner in Sind requires a consideration different from the rest. The grievance of Sind, so often asserted and pressed at all Sind Provincial Conferences, has been the delegation of Local Government executive powers—both under Special Act and the Local-Self-Government Acts—a concentration of powers that confers on a single individual a power that elsewhere is controlled by the Executive Council, the Ministers and the Legislative Councils. This delegation has a tendency to be irresponsible and from time to time the theme has been thrashed out at the Provincial Conferences. Either as the Inspector-General of Police for the Local Government, for the Municipal and Local Board purposes, or even of the Judicial Department appointing Sub-Judges and transferring or locating Additional and Assistant Judges, his power has been always protected against and rightly too. The objection as to duplication applies to him with equal force. I am sure that if these facts had been before the Committee, it would have agreed with me in the view I have taken.

If this scheme of elimination of the Commissioner's post is not acceptable, in my opinion the superior staff in the Secretariat which has been recently doubled (and it is double of that in 1914 consisting of Secretaries, Deputy Secretaries) is excessive. The list of subjects on paper which is said to be dealt with is no index of the quantity of work, just in the same way as it is not for 7 members of the

"Cabinet" where there were only 3 before. One of the Secretaries told us that interpellations had increased the work of the Secretariat—a proposition that may support the theory of increase in the establishment that allocated the information. But the "mode of answering" the interpellation was to be done, as we were told, by the Secretaries and their Deputies—and this was one of the reasons given for the increase. The recent elimination of the "Under Secretary" and transformation of the "Under" into a "Deputy" is another step towards increase, not retrenchment, of expenditure.

After dealing with the question of the Public Services and Allowances, the Report proceeds :—

#### The Secretariat to Poona

Under this head we wish to consider not only the organization and functions of the Secretariat itself but its relation to the various Heads of Departments who now have a separate existence.

At an early stage of our deliberations we addressed a letter to Government regarding the advisability of transferring the whole Secretariat to Poona. We considered that its removal from Bombay and its location where it would be in immediate touch with offices of the Heads of Departments would lead to many savings both indirect and direct. The indirect savings would consist firstly, in the better out-turn of work which might be expected where the establishment could live within reasonable distance of their offices and could work under better health conditions and in a less enervating climate. Other savings would result from the better organization of work rendered possible by the proximity of heads of departments and by the fact that officers would be separated from their Secretariat for a much smaller part of the year. In addition to such indirect savings we calculate that direct savings amounting to nearly 4 lakhs would be realized. These would include the cost of the annual move of Government from Bombay to Poona and back with all the travelling allowances, bill allowances and cost of transmission of records which it involves; the rent of offices paid or likely to be paid in the near future in Bombay, which by itself amounts to nearly a lakh; reduction of the wages of peons to the rates generally in force in the mofussil; and a closer approximation of the salaries of the clerical establishment to the rates usually paid outside Bombay. We believe that this latter advantage would ultimately enable a saving of 25 per cent in the average cost per head, which in the case of the existing clerical establishment would amount to 2½ lakhs. In addition to these recurring savings there would also be very considerable capital savings due to the smaller cost of office and residential accommodation in Poona. We again urge this matter upon the attention of Government, more especially since our other proposals regarding the general organization of the Secretariat postulate a single headquarter for the offices of the Secretariat and of Heads of Departments.

Since the Public Works Secretariat is also the head departmental office, we have included our recommendations regarding its strength in the section dealing with that Department. In the Civil Secretariat we notice that since 1918-19 the higher staff has increased from 4 Secretaries, 2 Under-Secretaries and 6 Assistant Secretaries to 6 Secretaries, 6 Deputy Secretaries and 9 Assistant Secretaries at the present time. The clerical staff has similarly increased from 248 to 296 and the total budget provision for the Secretariat has risen from 5 to

14½ lakhs during the same period. We, therefore, consider it a matter of importance to examine how far this increase is really necessary and what measures can be taken to reduce such a high cost at the centre of the administration.

### THE SECRETARIAT—ITS WORKING

In attempting to discuss the Secretariat system as such we find ourselves at once confronted by the difficulty of defining what the Secretariat system really is. The normal arrangement which we believe this system usually connotes is one in which a separate Head of Department exists to control and co-ordinate the work of the executive staff under him and submits cases officially to Government through a Secretary whose office is distinct from his own. This arrangement obtains in the Police, Excise, Medical and other large departments. A slight modification of it exists in the Land Revenue and General Administration Department, where the Commissioners exist as three collateral Heads of Department and the Secretariat performs the function of co-ordination between them. Again in the Public Works and Development Departments, we find the opposite system, where the Head of the executive Department himself acts as Secretary to Government and submits cases directly. In the Political and Judicial Departments, again, there is no separate Head of Department (except in so far as the High Court functions as such) and the Secretary deals directly with the local officers under the orders of Government. A somewhat similar arrangement obtains with regard to many miscellaneous individual offices under the Bombay Government, such as those of the Registrar of Companies, Director of Information, &c. Such offices do not constitute Departments and there is no executive Head of Department other than the Secretary himself. Again in the case of the Marine, Military, Posts and Telegraphs and other Departments where the officers dealt with are not directly under the Bombay Government, the functions performed are purely secretarial. Lastly in the Finance Department we find an independent, self-contained organization with no corresponding executive, dealing directly with matters affecting the whole of the Government.

In the last three types of organization, where Government deal directly through the Secretary with the officers concerned without the inter-position of any head of Department, there is obviously no duplication of work and no alternative to the present system. In the case, however, where a separate Head of Department exists with an independent non-secretarial office, we have to examine whether two separate co-ordinating agencies are really necessary or whether, if they are, similar separate organizations ought not to be set up in the case of the departments or offices which dispense with such an arrangement. It is obvious that both systems cannot be defended and that if the system represented by the Public Works Departments is sufficient for practical requirements then, in the case of some other departments, an unnecessary duplication of authority exists which ought to be eliminated on grounds of economy.

We have consulted all the principal non-secretarial Heads of Departments regarding the possibility of a fusion of their offices and functions with those of the Secretariat. We are considerably impressed by the fact that out of 14 officers to whom we addressed this question 12 considered the suggestion to be quite feasible while 7 were more or less strongly in favour of it. We think that where such a volume of opinion exists it is not possible to dismiss this question as beyond the scope of practical politics. The advantages claimed for a system under which the Head of Department would act as a Secretary to Government and submit cases himself to the Members or Ministers are that the direct access to Government thus afforded would give him a better opportunity of explaining and pressing his views, that much delay would be avoided and that a large

amount of correspondence and unofficial references between Government and the Heads of Departments would be obviated. It is maintained that the examination of cases in the Secretariat does not contribute anything material to them of which the Head of Department would not have been aware or which he himself would not have been in the position of advising Government. There is also some complaint that the orders received under the present system do not invariably show a full comprehension of the issues involved or of the practical difficulties likely to be encountered in carrying them into execution.

**"GETTING TO BOTTOM OF ARGUMENTS."**

We have endeavoured to get to the bottom of the arguments upon which the present system is based. These arguments are well set out in the Report of the Public Works Department, Reorganization Committee, 1917, and very similar views are expressed by the witnesses who have advocated the present system before us. It is urged that a Head of Department who is responsible for the working of his Department in an executive capacity naturally desires the success of his own administration and is therefore liable to adopt too departmental a standpoint. Where departmental interests are involved it is difficult for such an officer to put himself in a position of the authority responsible for the administration of Government as a whole and his views are liable to be narrow and defective. Further the training which such an officer has received in the course of his departmental work and especially work of a professional character is not necessarily such as to fit him for the duties of general administration. The views of experts are especially liable to be limited by their own particular horizon and it is one of the usually accepted principles of administration that the proposals of experts should receive independent examination from non-experts who can take a broad and general view of the matter. Some difficulty also arises out of the fact that the Head of Department is regarded as an executive officer while Government is the tribunal to review his executive actions and to give redress where they are called in question. From this point of view it is necessary to retain a body of workers outside the executive itself who can enable Government to keep a full and constant check over the proceedings of their executive officers. More especially where bureaucratic action is subject to the general control of a popular legislative body, it is necessary that the Legislative Council should have at its service a machine strong enough to enforce executive compliance with its wishes. Finally it is pointed out that more or less touring is essential for the proper performance of their executive functions by Heads of Departments and that secretarial duties would render such touring a practical impossibility.

We recognize the force of these arguments but at the same time we are not prepared to admit that at the present moment the Secretariat is purely an administrative agency or that Heads of Departments are purely an executive agency. As already pointed out the Secretary takes the place of a Head of Department for all practical purposes in such important departments as the Political and the Judicial. Further in the case of the miscellaneous minor offices dealt with directly, the position of the Secretary as the de facto Head of Department is scarcely disguised. It appears to us therefore that in regard to quite a large number of important matters the Secretariat has always been directly concerned with the executive agency to exactly the same extent as the Heads of separate Departments within their own spheres. On the other hand, the Head of Department himself is only to a limited extent an executive officer. The extent to which his functions are differentiated from those of Government is only a matter of the degree of delegation and usually the only executive action which he performs consists in a very limited amount of touring. It is we believe generally

admitted that the Heads of Departments which are professional in character have too little time for professional work for the reason that their time is mainly occupied in administration. It is possible to argue that in such departments the officers who take most pains to qualify themselves for their professional work of the department are least capable of conducting the mainly administrative work of the Head Office.

While moreover it is to some extent true that an officer imbued with the departmental spirit may not always give impartial advice it is at least open to question whether it is in all cases safer to rely on the advice of an officer who has no acquaintance with the subject-matter. We think it possible that the opinions of the Heads of Departments to which we have referred may indicate that the results of the latter system are not always beyond question. The argument that review is necessary by an independent agency who can take the point of view of Govt. as a whole is to some extent out-of-date under a less bureaucratic form of Government. Reconciliation of divergent interests is at least to some extent the function of Members and Ministers, who do not deal exclusively with individual departments, and in the last resort the Legislative Council may be relied upon to enforce their responsibility in this respect. Finally, so far as we can gather, a great majority of the matters in which the interests of different departments touch one another, or in which a balance is to be observed between their claims, are matters involving the expenditure of money, in all of which the Finance Department constitutes an independent and impartial tribunal. On the whole, therefore, while we admit that unalloyed departmentalism would be an evil, we think that sufficient machinery exists to counteract any such tendency.

#### THE NECESSITY OF TOURING

We are not much impressed by the argument based upon the necessity of touring. The fact that a few Secretaries now engaged to work coming from numerous Departments could not find time to absent themselves even for a few days from headquarters is in our opinion no reason for supposing that a Head of Department having to deal with Government only with cases affecting his own Department should never find time for an occasional visit to the place where his presence was necessary. Such an officer is not expected to perform much detailed touring and need only visit the more accessible places. Moreover we think the value of the touring performed by Heads of Departments is somewhat overrated. The amount of time which a Head of Department either can or does spend in the individual charge under him is not sufficient to enable him to exercise any practical supervision over the work done. We have it in evidence that even the Commissioners of Divisions, each with only one-third of the Presidency in his charge, can find time only for 2 or 3 months' touring in a year and it appears unlikely that the Commissioner's visit to any one district would coincide with the moment at which his advice was needed by the Collector. In any case if an executive officer needs the instructions of the Head of his Department it appears equally feasible for him to come to headquarters to receive them. While moreover it is possible to dispense almost entirely with executive supervision of this kind in the case of the Political and Judicial Departments, and a number of other minor offices and departments which work directly under the Secretariat, we cannot attach decisive weight to the argument that the touring of Heads of Departments would be affected or even wholly prevented.

#### DUPLICATION OF WORK

One point which is perfectly clear to us is that a certain amount of duplication does exist at the present moment between the Secretariat and the Heads of

Departments outside the Secretariat. One reason for this duplication is the excessive centralisation of power. It is, we believe, admitted that by this means all the work which enters the Secretariat needs or obtains the orders of Government itself. It is well known that in regard to many classes of work the Secretary and even the Deputy Secretary have certain powers of disposal on behalf of Government and so far as this is the case we consider that there is no justification for the centralization of such work. The Heads of Departments could in our opinion equally well exercise these powers themselves. We have consulted most of the Heads of Departments and the Secretaries on this point and we find that practically all officers are agreed that a considerable number of the matters which now go to Government could efficiently be dealt with by the Heads of Departments if they had the power of issuing orders on behalf of Government. In the aggregate, the lists of such subjects submitted to us amount to a very considerable volume of work in regard to which we can only consider that the expense of the Secretariat is wasted. We are taking steps to place at the disposal of Government the suggestions for decentralization which we have received, and without prejudice to our other recommendations we strongly recommend that all such suggestions may receive immediate attention.

A more serious form of duplication, however, which is inherent in the whole Secretariat system as commonly understood is due to the fact that the examination which cases receive in the Secretariat necessarily covers the same ground which has already been prepared in the office of the Head of the Department. This fact is not, we think, denied. The only point in question is its value, and so far as it is alleged to be valuable, the arguments appear to rely entirely on the qualifications and standpoint of the officer himself who deals with the case in the Secretariat and submits it to Government. We have not heard that any part of the value attached to this examination is essentially connected with the ministerial work performed by the Secretariat as a separate office. We have in view the class of cases in which the actual orders of Government are necessary, and in regard to these cases we do not wish to assert that the ministerial office of the Head of Department as now staffed would in all cases be adequate to prepare such cases for Government orders, but it cannot be denied that any ministerial staff capable of doing so would "a fortiori" serve the purposes of the Head of Department.

We therefore advocate the principle that whoever has the last word in submitting a case to Government, there should be only one office at the head of each department and that the office which co-ordinates the work of the department and controls its executive should be the office which obtains and issues the orders of Government. As we have pointed out above, this is already the case with quite a number of departments or individual offices for which no separate Head or Department exists and we see no reason why the principle should ever be departed from.

If this view is accepted, the next question which arises is who should be the officer who obtains the orders of Government. It is possible either that the Secretary himself might perform the functions of Head of Department, or that the Head of Department might act as Secretary, or thirdly that the Secretary and the Head of Department might co-exist and deal with the work of the same head office in different capacities.

In order to answer this question, we would here draw a distinction between the professional departments, those in which the superior cadre has professional qualifications, and the non-professional departments. In the case of the former it is obvious that a departmental head must exist to advise Government professionally in matters concerning the whole department, whether he works directly as Secretary or not. In the non-professional departments, on the other hand, it is more or less a matter of indifference whether the Secretary is designated as

Head of Department or the Head of Department acts as Secretary, so long as only one office exists.

#### NON-PROFESSIONAL HEADS OF DEPARTMENTS.

Among the non-professional Heads of Departments, the Commissioners of Divisions occupy the principal place and in their case duplication which we have noticed is most immediately apparent because the functions of the Commissioner are wider than those of the other Heads of Departments and more nearly resembles those of a Secretary. We would exclude the Commissioner in Sind from these observations since his position is peculiar. The special circumstances of the Sind Province render it necessary that he should exercise the powers of Government for most purposes and this fact is sufficient to justify his separate existence and enables much duplication of work to be avoided. The Commissioners of Divisions in the Presidency proper, however, seem to resemble other executive Heads of Departments chiefly in their functions of controlling the subordinate staff and dealing with appeals. In other respects their position is somewhat anomalous, as the following facts will show. In the first place the Collectors themselves rank as Heads of Departments for purposes of the Civil Service Regulations and in this and many other matters it is evident that they correspond with Government through the Commissioner only because he exists. Again the Collectors are not subordinate to the Commissioners for all purposes since they correspond directly with other Heads of Departments, e.g., the Commissioner of Excise with whom the Divisional Commissioner has nothing to do. In the next place, the Commissioner himself deals with many matters falling within the particular scope of other independent Heads of Departments, e.g., Police, Forests, Education, Agriculture, Veterinary &c. In regard to such matters, the Commissioner is supposed to bring his general knowledge to bear on the questions and to keep the various Departments in liaison with one another, and in this respect his functions are exactly those of the Secretariat. Lastly, in Local Self-Government matters, which apparently occupy more than half of the Commissioner's time, he deals on behalf of Government with a non-departmental organization, and here again his functions seem to resemble those of a Secretary to Government or of Government itself.

We are told that the *raison d'être* of the Commissioner is that he should supervise the administration generally in all its branches. If this is so, the value of his work consists in the facts that he is expected to adopt the same standpoint which is claimed for the Secretariat itself, and it is clearly a waste of time that he should submit his work through his Secretary junior to himself from whose point of view he cannot differ. The interposition of the Secretariat in this case seems to be necessitated only by the territorial jurisdiction which Commissioners have hitherto possessed, in consequence

of which no one officer exists who can represent to Government the subject as a whole. This difficulty can however be surmounted by redistributing work among the Commissioners on a subject basis, a course which we think has much to recommend it even on other grounds. Such a redistribution would render it possible to group the Commissioners at the headquarters of Government where they could work directly as Secretaries to Government for the several subjects allotted to them. We will not here attempt to lay down precisely the manner in which we think the several subjects now dealt with by all the Commissioners placed in this position would be able to attend to all subjects connected with Local Self-Government and thus to form the nucleus of a separate organization to deal with this important and rapidly developing Department of work.

Somewhat similar considerations apply to the other non-professional departments in which the Head of the Department is not himself a departmental officer. In such cases we can see no valid reason for a distinction between the executive and the administrative authority, since non-departmental Heads can be trusted not to take too departmental a view. The officers to whom these remarks apply are the Commissioner of Customs, Salt and Excise, the Settlement Commissioner and Director of Land Records who is also Inspector-General of Registration and the Registrar of Co-operative Societies.

As regards the Commissioner of Customs, Salt and Excise, the unnecessary character of the present duplication is emphasized by the fact that both the last two officers who have held this appointment were Secretaries to Government in the Revenue Department immediately before they were appointed. We see no need, however, for the separate existence of a Commissioner for Salt and Excise work if he becomes a Secretariat officer. In our opinion Deputy Commissioners of Salt and Excise, if officers of suitable status are appointed, can perform all the necessary supervision of the department and exercise many of the powers now resting with the Commissioner. We contemplate in this case that one Deputy Commissioner would be allotted to Salt and two to Excise work, and our recommendation elsewhere that the number of Deputy Commissioners should be reduced to one should be understood to apply only to the existing type of organization. We contemplate that as a Secretary, the Commissioner would deal with such subjects in the same capacity as now so far as necessary, but his time would not be wholly devoted to them.

The Settlement Commissioner and Director of Land Records should not in our opinion have a separate existence as secretary of a Department. His work is closely allied to other Land Revenue subjects and can be dealt with by one of the Commissioners as Secretary, but since extensive touring is necessary for the supervision of this Department, we think that the Settlement



Commissioner so called should rank as a Deputy Secretary under one of the Commissioners, and that a comparatively junior officer might be appointed for this purpose.

We do not think that Co-operative Societies form a subject of sufficient independence and importance to require a separate Secretary. Moreover, the officer dealing with this subject is required to tour extensively and we, therefore, recommend that the Registrar of Co-operative Societies should also be a junior officer ranking as a Deputy Secretary under one of the Commissioner-Secretaries in order that he may be free to tour.

The only non-professional department under a Head who is himself an officer of the same department is the Police. We consider that the same principle would here apply and that the Inspector-General of Police can without difficulty perform the functions of Secretary to Government. If this were done we would modify the proposal which we have made in dealing with the Police Department to abolish the two Deputy Inspectors-General of Police. These officer might be appointed for this purpose the necessary executive supervision but they would both be attached to the headquarter office and not be in charge of independent offices corresponding with the Inspector-General. The Bombay City police would be included in the scope of the Inspector-General of Police as Secretary, and the Commissioner of Police would not be treated as a separate Head of Department.

We now turn to the professional Departments among which we rank Agriculture, Veterinary, Education, Forests, Medical, Public Health, Jails and Public Works. In regard to these Departments the general principle which commends itself to us is that while a professional Head of Department is necessary it is a waste of professional abilities to employ such Heads for purely administrative work such as that of a Secretary, and we consider that they would be more free to regard matters from a professional point of view if they were not themselves responsible for the final submission of cases to Government.

We would, however, make an exception in the case of the Public Works Department where the Chief Engineer is already a Secretary to Government and this system is well established. In this Department the Superintending Engineer provide the necessary executive supervision of a superior kind and no other supervising head is necessary. Moreover, the Public Works Department is not an independent, self-contained department to quite the same extent as other professional departments, since its services are employed by all departments.

Another professional department which we would except from the principle enunciated above is that of Education. Experience elsewhere has demonstrated the fact that the work of this department, although professional in character, is not such as to unfit officers for administrative duties and the work at the head office

of the department is very largely administrative in character. Hence we recommend that the Director of Public Instruction should perform the duties of Secretary to Government in Educational matters. As the means of working out this system we accept in principle the reorganisation of the department already proposed by Mr. Hesketh, by which all the higher administrative officers of the department would be concentrated in the office of the Director of Public Instruction and would thus, for all practical purposes, act as Deputy or Joint Secretaries to Government.

In the remaining professional departments, viz., Agriculture, Veterinary, Forests, and the group of departments employing medical staff, we adhere to the principle that there should be no separate Secretariat branches distinct from the head departmental offices, but we think that the officer at the head of these departments, instead of themselves acting as Secretaries, should note directly to one or other of the Commissioner-Secretaries in matters which really require the orders of Government. At the same time they would exercise all the powers of Secretaries or Deputy Secretaries in matters which, although formally requiring the orders of Government, are not usually seen by the Members or Ministers themselves. In dealing with cases of such departments the Commissioner-Secretaries would examine the proposals from a general point of view exactly as they now do in their capacity of territorial Commissioners, and it would be their duty to submit the cases in original to Government in consultation with the departmental Heads.

In the case of the Forest Department, if the post of the Chief Conservator is abolished as we have recommended elsewhere, the work of the whole department will be dealt with by one of the Commissioners as Secretary, the Conservator occupying the same relative position as the Deputy Commissioner of salt and excise for purposes of executive supervision within their respective areas.

We will now examine the effect of these proposals on the Secretariat staff. The officers whom we have proposed to invest with secretariat functions are the three Commissioners of Divisions, the Commissioner of Customs, Salt and Excise, the Director of Public Instruction and the Inspector General of Police. We have also proposed that the Registrar of Co-operative Societies and the Settlement Commissioner should occupy the position of Deputy Secretaries under the Commissioners. Of the six officers who would thus become Secretaries, the three representing two of the Divisional Commissioners and the Commissioner of Customs, Salt and Excise, assisted by the Registrar of Co-operative Societies and the Settlement Commissioner, would be in a position to relieve the Revenue Department of all its present work. The other Commissioner, specially in Local Self-Government, together with the Director of Public Instruction, would similarly relieve the General Department of all its principal subjects and the remaining subjects, including the various

miscellaneous offices with which the General Department deals directly, we would classify under General Administration and assign to one or other of the Commissioner-Secretaries, with the exception of the Marine and Ecclesiastical Departments.

Finally the Inspector-General of Police acting as Secretary would relieve the Home Department of practically half its present work. Cases submitted in original by the Inspector-General of Prisons would be dealt with by the Commissioner-Secretary who attended to Medical and Public Health cases. The remaining subjects of the Home Department, viz., Judicial and Home Political, with the addition of Marine and Ecclesiastical from the General Department, would be sufficient to occupy one Secretary and one Assistant Secretary instead of the present staff.

The total saving of staff in the Secretariat would thus be : —

- (2) Secretaries, Revenue Department and General Department.
- (3) Deputy Secretaries, Revenue Department, General Department and Home Department.

And 5 Assistant Secretaries, viz., 2 in Revenue Department, 2 in General Department and 1 in Home Department.

As regards the clerical establishment of the Secretariat departments thus relieved, we contemplate that it would at first be necessary to distribute most of the Upper Division staff among the amalgamated offices of Heads of Departments and Secretaries in place of an equivalent portion of the existing office establishments of the several Heads of Departments, since this latter establishment would at first lack the necessary experience of Secretariat requirements. Since therefore the staff disbanded would be cheaper than the staff retained we have reckoned the savings approximately at two-thirds of the present cost of the Secretariat branches which would be absorbed in the amalgamation. On similar considerations we would observe that the saving of Assistant Secretaries which we have indicated above does not necessarily imply that the officers at present occupying those posts would be the individuals dispensed with. In the new amalgamated offices their Secretariat experience would certainly be required at first, and they would thus displace the less expert Provincial officers holding corresponding posts in the offices of the Heads of Departments, who would then be absorbed into the regular cadre. In future appointments however we would press the advisability of employing Provincial officers selected from the ordinary executive cadres in posts of this kind in order that they should have an opportunity of gaining the Secretariat experience which might fit them to occupy the posts of Secretaries at a later stage of their service. The absence of any Provincial officers from the Secretariat at the present moment is, we consider, disadvantageous from the point of view of developing a self-sufficient Provincial cadre of the kind to which we look forward.

## REPORT OF THE B. & O. Retrenchment Committee

The following is the report of the Committee which was appointed on March 29, 1921, to "report what retrenchments in expenditure in the various departments of the Government can be safely and usefully made."

The Committee consisted of the Hon. Mr. (now Sir) Havilland Le Mesurier, the Hon. Khan Bahadur S. M. Fakhruddin, the Hon. Mr. Madhu Sudan Das, Rai Bahadur Dwarika Nath, Rai Bahadur Purnendu Narayan Sinha, Mr. Prasanta Kumar Sen, Khan Bahadur Khwaja Muhammad Nur, Mr. Yunus, and Babu Ganesh Dutta Singh. Owing to the illness and resignation of Lord Sinha, Sir Havilland Le Mesurier took over the duties of acting Governor and his place on the Committee was taken by Mr. J. F. Grunning.

In a preface to the report, the Government refer to the position in regard to the more far-reaching recommendations which a certain number of the members (non-official) are disposed to put forward, and in this connection refer to an able note by Sir Charles Todhunter, the Finance Member of Madras, in which he has called attention to the distinction, which was also observed by the Imperial Government in Great Britain when dealing with the Geddes Committee's report, between the examination of an existing system of government with a view to deducting waste and suggesting retrenchment and economy without touching questions of principle and, on the other hand, large and far-reaching proposals involving a complete change of policy and abrogation of the existing contracts with the servants of Government. Under the system of government which prevails in India, the former class of cases fall ordinarily within the competence of the local Govt. itself and can, therefore, form the subject of recommendation by such a committee as the present one without restriction or reservation, but such wholesale changes of policy as would be involved, for instance, by wholesale reduction of the members of the Imperial Services or of their pay or prospects or status, are matters involving contracts entered into by the Secretary of State, would also have repercussion on the whole India, not merely on one province, and consequently require to be examined and co-ordinated in the light of the demand

of all India, and not only of a single local Government. As a matter of fact, the Secretary of State has recently called attention to the fact that the responsibility for the pay and position of members of Imperial Services rests by statute with him and that consequently it is not proper that subordinate authorities, whether the Central Government of India or the local Governments, should pronounce upon these matters without obtaining his orders.

### PECULIAR CIRCUMSTANCES

"Now it is the peculiar constitution of the committee now reporting that all the official members, of whom there are three, are themselves members of the Government and that, therefore, they are precluded from expressing officially their opinions on any proposals involving such changes of policy without previous consultation with their colleagues in the Government, and even then it is only possible for them to say that recommendations have been made to higher authority the result of which are awaited. It is impossible for them, for instance, to state whether they, as members of Government, accept the proposal for the reduction of the number of officers of certain rank by a certain proportion in order to allow a further Indianization of the services or for the abolition of superior posts which form part of the prospects on the faith of which officers were recruited to the particular branch of the public service. Where the non-official members have thought fit to make recommendations of the above nature these will be considered in the appropriate departments of Government. In order that due weight shall be given to the opinion of the members it is open to them to add what may be called notes, not of dissent, but of special recommendation with arguments in support of them.

### The Recommendations

The following are the recommendations which have been made either by the Committee as a whole or by the non-official majority in respect of the following departments :—

Police.	General Administration.
Jails.	Land Revenue.
Civil Justice.	Irrigation.

### POLICE

The non-official members, 5 out of 6 of whom were present, have unanimously recommended some very drastic changes. These are (1) the abolition of the grade of the Deputy Inspector General of Police, and (2) an increase in the number posts held by Indians in the rank of Superintendents. These are to be filled half and

half by promotion from the rank of Deputy Superintendents, and of European officers appointed to the rank of Assistant Superintendent of Police by the Secretary of State as at present. Of these officers the Assistant Superintendents should, as hitherto, be recruited in the United Kingdom though in reduced numbers and the Deputy Superintendents in India, but in both cases they should take their places on a single running list and be promoted in accordance with their respective seniority and not according to the classification of the vacancy in which a promotion is to be made.

On this proposal the three members of Government feel themselves precluded from offering opinions because they involve a change of policy directly affecting the pay and status of the Imperial Indian Police Service and as such are affected by the considerations explained in the first part of this report.

Coming next to the recommendations as they affect the rank of Deputy Superintendent, it will be observed that the proposal is to keep this rank only as a feeder for the superior grade of Superintendents and consequently to alter its present status and the consequent recruitment for the purpose of holding inferior charges. In other words every officer recruited or promoted to the rank of Deputy Superintendent will realise that his ultimate future is to be a Superintendent and that he will only remain a Deputy Superintendent of Police for purposes of training or until he has completed a sufficient number of year's service to be fit for a superior charge. This will involve the disappearance of a large number of the present posts held by officers of this grade whether in sub-divisions or at the head-quarters of the districts. The way in which these posts ought to be filled is not definitely stated in the recommendations of the non-official members. In so far as the posts are not held by officers in training (Assistant or Deputy Superintendents as the case may be) they must presumably be held by Inspectors and it will be necessary to examine how far it will be necessary to give extra pay to Inspectors officiating in such posts as was done before the revision of the cadre of Deputy Superintendents in 1920. The second recommendation is for a large reduction in the number of Inspectors. The Committee agree that the question of the cadre of Inspectors should be re-examined in view of the increase recently made in that of Deputy Superintendents; it does not appear that at the time the number of Deputy Superintendents was increased a corresponding decrease was made in the number of Inspectors and it seems desirable that this point should be thoroughly investigated. A further proposal for the reduction of Sub-Inspectors is made also by the non-official members.

The remainder of the committee agree that the number may be examined with special reference to the system under which the number of officers at an investigating centre is increased when the number of cases investigated during the year exceeds 100. They consider that on grounds of economy it is worth considering whether the needs of one or two circles should not be taken together, i.e. supposing centre A has 125 cases and centre B has 130, would it not be sufficient to post one officer to the two centres instead of two officers one to each. This of course will not be practicable in all cases but they consider that the point calls for examination.

The suggested reduction in the number of constables follows on the former recommendation and the Committee also considers that there should be a careful examination of the staff of instructors and teachers at the Police Training College and Constables schools.

### JAILS

The suggestion made under this head that the posts of the Inspector-General of Civil Hospitals and the Inspector-General of Prisons be amalgamated, again, is a question of policy affecting the status and pay of the Imperial Services, and has not been supported by the majority. A second suggestion also that the Civil Surgeon should cease to be Superintendent of Jail and that his place should be taken by an officer on lower pay has not been agreed to by all the members and the preponderance of opinion is that since considerations of expenditure preclude carrying out the recommendations of the Jails Committee for the appointment of highly paid wholtime Superintendents, the existing system, by which the services of Civil Surgeons are obtained as Superintendents in return for a moderate allowance, is the most economical and the most efficient that can at present be arranged.

The Committee feel that in view of recommendations of the Indian Jails Committee it is desirable that everything possible should be done to make the manufacturing departments profitable and in particular that a system of "costing" should be established from which it can be seen whether jail manufactures are really profitable or not. The non-official members suggest further that an expert committee should be appointed to examine how jail labour can be utilized more profitably than at present.

With regard to the Government printing press in the Gaya Central Jail the question will arise when the whole subject of printing by Government for its own purposes is examined as, it is understood, it will be by the Incheape Committee. The Committee note that Government are actually carrying out the policy of concentrating prisoners in a smaller number of jails and they hope that

it will be possible in this matter to effect real and substantial economy.

### CIVIL JUSTICE

The proposals regarding the High Court made by certain members of the Committee did not meet with general approval, but the Committee feel that the number of holidays is very large and a reduction seems called for at a time when the accumulation of arrears has made it necessary to appoint Additional Judges and they consider that the wording of the new system for preparing the paper-books requires careful observation lest Government should be involved in additional expenditure thereby. With regard to the inferior courts, certain proposals have been made regarding the establishment in Chota Nagpur by a member of the Committee who has special acquaintance of that part. The subject is already being considered by Government and it is understood that the existing defects will be cured. The matter at present is still under discussion between Government and the High Court. Much stress has been laid by some members on the proposal to effect amalgamation of the separate offices maintained by each Civil Court at stations where there is more than one civil judicial officer and it is considered desirable that where the condition of the buildings permits, an experiment shall be made in order to endeavour reduction of establishment.

### GENERAL ADMINISTRATION

The non-official members recommended the abolition of the post of Divisional Commissioners. This again is a matter affecting the status and pay of the Indian Civil Service and consequently cannot be discussed at this place by those members of the committee who are also members of the Government. The proposal admittedly involves an increase in the number of the Members of the Board of Revenue from one to two at least and considerable addition to the powers of the Collector to pass final orders both in quasi-judicial revenue cases and in executive orders. It is further suggested that the Excise Department should be removed from the supervision of the Board and placed directly under Government as it is understood already being done in Bengal. The next recommendation that was made by Khan Bahadur Khwaja Muhammad Nur was that all post not scheduled under the Government of India Act as reserved for the Indian Civil Service, but at present held by the members of that service, should cease to be so held and recruited for and should in future be held by members of the Bihar and Orissa Executive Service. These posts include—



Registrar, Co-operative Societies  
Director of Land Records,  
Director of Agriculture,  
Commissioner of Excise,  
Director of Industries, and Registrar, Patna High Court.

This again is a recommendation affecting the pay and status of the Imperial Service.

The Committee did not take up the question of the staff of the Legislative Council and note that it is the intention of Government when Barristers or other legal practitioners with practical knowledge and experience of drafting and legislative work are available to appoint the Secretary from that category instead of as at present from the Indian Civil Service. When the change is made the question of the Secretary and Assistant Secretary may perhaps be revised. For the present the Committee consider that it should be possible to effect some reduction in the office as by the abolition of the post of Office Superintendent.

The Committee next considered the Civil Secretariat and after discussion accepted the necessity of increasing the number of Civil Secretaries to 5. At the same time they endorsed the reduction in the number of Under-Secretaries in the Indian Civil Services to 2 and the appointment of Assistant Secretaries under the remaining Secretaries. They also consider that the system by which in some of the newly formed branches the post of Registrar and Assistant Secretary have been amalgamated should be further extended as opportunity offers.

In regard to District Administration the Committee are unable to make any recommendations more specifically than that the strength of the cadre of Deputy Magistrates and Deputy Collectors should be carefully scrutinized with special reference to what may be called outside or extraneous duties and also that there should be a tightening up of the rules regarding the period within which an officer is allowed to remain on probation for the purpose of learning his work and passing his examinations.

#### LAND REVENUE.

The non-official members recommended strongly that the interval between the preparation of a record of rights, as distinct from a settlement of revenue, and the undertaking of revision operations should be far longer than the Government programme is understood to contemplate and might be as long as 40 years, unless fresh agrarian complications have arisen meanwhile which render earlier operations necessary.

The Committee is agreed that to enable proper consideration of this point in the budget and other financial document, there should be a clear line of demarcation between operations which are entirely or mainly connected with the re-settlement of revenue, and those which are entirely or mainly a revision of an existing record-of-right.

The last department considered was the *Irrigation Branch* and as already noted the Committee approved the policy adopted by Government of completely separating this from the Roads and Buildings branch. The majority of the Committee are opposed to the present system by which the Chief Engineer is also Secretary to Government and they consider that the Secretariat work would be best done if it could be arranged for among other duties of the regular Secretaries and styled "Public works Department Civil Secretariat."

### PART III.—NON-OFFICIAL REPORT.

As explained in the earlier parts of this Report the official members of the Committee by reason of their position as a part of Government are precluded from subscribing to certain of the recommendations that have been put forward by the non-official members. They, however, helped the non-official members in the discussion of the various important questions. The recommendations as embodied in Part III. of the Report are those which have been made by the non-official members only of the Committee.

#### EDUCATION DEPARTMENT

There is at present one Assistant Director of Public Instruction who is a member of the Imperial Education Service and there is also a Superintendent in the Director's office. The Committee is of the opinion that these two posts should be combined and an experienced officer of the Provincial Service should be appointed to the amalgamated post.

The Committee considers that there is no necessity for a separate Inspector of European Schools. His work may be done by one of the ordinary Divisional Inspectors or, if preferred, by the Director of Public Instruction himself.

The work of the Assistant Inspectresses of Schools may be supervised and controlled by the Inspectors, and in this way the necessity of the post of Inspectresses of Schools would disappear. The Committee accordingly recommends that these latter posts should be abolished. The Committee recommends that Inspectors of Schools should be members of the Provincial Service who might suitably be given the selection grade pay. The Superintendents

of Sanskrit and Islamic Studies are two Imperial posts which should be filled by members of the Provincial Service. The Committee are of opinion that the number of Sub-Inspectors at present employed is excessive. They recommend that not more than two such officers should be employed in any one sub-division and they should all be graduates.

It is further recommended that the inspection and supervision of village schools should be made over to village agencies and co-operative societies, while the committee is also inclined to think that some saving in expenditure would indirectly result from a revival of the old practice of holding public examinations for scholarships to be awarded to students of primary schools.

The Committee consider that the instructional staff of the colleges is unnecessarily large and could be substantially reduced if each member were required to work for at least 18 periods in a week, and they accordingly recommend that this number of periods should ordinarily be regarded as the minimum number for each Professor and Lecturer. It is estimated that if this recommendation be accepted a saving of 10 per cent. in the existing expenditure on staff will be effected. The Principals of colleges should themselves teach for at least 12 periods in the week. At present it appears that the Principal in certain cases does not personally carry out any teaching at all.

It is further recommended that an enquiry should be made by Government into the possibility of introducing a system of inter-collegiate lectures, at least so far as the Patna College and the B. N. College are concerned. Such a system, if practicable, should obviate duplication of work, and consequently tend to economy.

Headmasters of divisional schools should be members of the Provincial, and not of the Indian Educational Service.

The Committee are convinced that a large saving could be effected by reduction in the number of teachers in the Guru Training Schools, but in view of the fact that the Education Committee have recommended the appointment of a small committee to consider this question specifically, it is not desired to prejudice the discussion of that committee by making any definite recommendation as to the extent of reduction that is practicable.

It is further recommended that the strength of the Indian Educational Service should be reduced by one-half and the posts thus abolished should be held by members of the Provincial Service. Half the number of posts then remaining in the Indian Educational Service should be filled by direct recruitment and the remaining half by promotion from the Provincial Service.

**FOREST DEPARTMENT.**

The non-official members of the Committee are unanimously of the opinion that the number of superior posts in the Forest Department, whether in the Imperial or in the Provincial Service, should be reduced. The work of these superior officers is mainly supervisory in character, and the number of subordinate officers whose work they have to control is not so large as to justify the retention of all these superior appointments. The committee find some difficulty in recommending a definite percentage of posts for abolition but commend the point to Government for careful consideration. In this department, as in many others, it is held that a speedy Indianization of the Imperial Service is desirable on grounds of economy, and that a large percentage of the Imperial posts should be recruited by promotion from the Provincial Service.

The members of the Committee are not in a position to criticize the other items of expenditure in the Forest Department but they are convinced that a scrutiny of these items by Government would bring to light other practicable forms of retrenchment.

**MEDICAL DEPARTMENT.**

The Committee recommends the amalgamation of the Medical Department and the Department of Public Health for the following reasons. The evidence given before the Committee by the Inspector General of Civil Hospitals showed that such a combination was possible. Moreover so far as the work in the villages is concerned the two departments must work together owing to the impossibility of maintaining a duplicate staff of officers in the rural areas. All doctors have some knowledge of sanitation, and are therefore qualified to carry out the Public Health Department.

It is further recommended that the Indian Medical Service should be replaced by a Civil Medical Service. Civil Surgeons at present are liable to be called away when their services are required in the Army. It will therefore promote the interests of the public, as well as those of economy, if Civil Surgeons ceased to be recruited through the Military Department and were appointed direct to serve in this province. The new Civil Medical Service should be provincial and not Imperial. It is believed that this recommendation will not involve any lowering in the standard of qualifications of Civil Surgeons.

While it is recognized that size of hospitals and the importance of other work in each of the five divisional headquarters stations in the province require that Civil Surgeons should continue to be in charge in these places, it is the opinion of the Committee that

Assistant Surgeons could suitably be placed in charge of all other district headquarters and of the hospitals situated therein. In such cases the district jails also should be placed in charge of the Assistant Surgeons who might, if necessary, be given an allowance for this work similar to but smaller than the allowance now given to Civil Surgeons.

#### PUBLIC WORKS DEPARTMENT.

The Committee recommends the abolition of both posts of Chief Engineer and reduction in the number of Superintending Engineers. It is of the opinion that with the separation of the irrigation branch from the Roads and Buildings branch, it should be practicable to dispense altogether with the necessity for any Chief Engineer, and in that case they recommend that the Superintending Engineer only should be retained for the supervision of roads and Buildings and one for the supervision of irrigation works. The services of the remaining Superintending Engineers should be dispensed with as early as possible. It is recognized that these recommendations will make it necessary to increase the powers of Executive Engineers, and the Committee accordingly suggest that the monetary limit of the power of sanction of Executive Engineers should be raised from Rs. 2,500 to Rs. 20,000.

The Special Works Division and the Sanitary Works Division were created in connection with the building of the New Capital at Patna. This has now been completed and the necessity for these Divisions no longer exists. In the same way the Electric Works Division was concerned primarily with the work of electrical installation, and a trained Overseer or an Assistant Engineer should be sufficient for carrying out the maintenance work. The Committee accordingly recommend that Special Works Division, Sanitary Works Division and Electric Works Division should be abolished.

Apart from these Special Divisions the oral evidence taken by the Committee supports their contention that the number of ordinary divisions and sub-divisions is unnecessarily high, and that there is ample scope for effecting a considerable reduction in the number by a process of amalgamation. The Committee desire that Government should explore the possibilities in this direction, and make no further specific recommendation than that Eastern Son Division and the Balasore Division in particular should each be amalgamated with the divisions respectively adjacent to them.

In view of the financial stringency of the province the Committee is of opinion that this province is unable to make any payments to the Government of India on the score of capital expenditure on irrigation works and they recommend that the Local Government

do take steps for obtaining remission of such payments from the Government of India.

The maintenance and repairs of roads and buildings should be transferred to such local bodies that may be willing to undertake them. The departmental evidence suggests that by this procedure the number of Assistant Engineers and subordinate officers can be materially reduced. In the opinion of the Committee a considerable saving will be effected by the introduction of the system of giving lump sum contracts, and they accordingly recommend that efforts should be made to introduce this system.

From the current year's budget, it appears that a sum of nearly Rs. 32 lakhs is to be spent on original buildings, and about Rs. 13½ lakhs on repairs. These large sums involve a heavy drain on the current revenues of the province and it seems very desirable that the burden should be distributed over a number of years. The Committee, therefore, recommends that the capital outlay on original works should be met from loan.

The Committee wishes to invite the attention of Government to the system by which rent is recovered from officers occupying Government building. This question is complicated by the heavy increase which has taken place during recent years in the cost of building. On residences constructed before the war the maximum rent was fixed on the basis of the then prevailing rate of interest, and the cost, labour and material being at that time comparatively cheap, it was possible to erect residences which provided better accommodation than those which are being built now a-days. On the other hand the present-day buildings are not only deficient in accommodation but are assessed to rent on the basis of much higher rate of interest. This combination of circumstances, besides being inequitable to the officers concerned, also involves Government in loss. It is not right that the rent of a house should be determined simply by the rate of interest and the cost of labour and material that happen to prevail at the time the house was built. The Committee accordingly recommends that the total actual cost of constructing all the residential building in the province should be worked out and the total maximum rent chargeable of this sum should be determined at the present rate of interest. All the residential buildings should then be re-valued and the total maximum rent as determined above should be distributed between them on the basis of their re-calculated value.

In view of the general increases in pay that have recently been given, it is recommended that the concession of rent-free quarters should no longer be allowed to any officer.

The Committee considered the *raison d'être* of the Engineering Department of Public Health, and while they are unable to recommend its total abolition, they are of the opinion that the post of the second Executive Engineer in that Department should certainly be abolished and recommend further that 'the necessity of maintaining any Executive Engineer should be examined by Government with a view to do away with this post also if Government are satisfied that the amount of work does not justify its continuance.

The collection of water-rates entails on Government heavy expenditure, which could be reduced if collections were carried by village agencies. It is recommended that arrangement should be made for this to be done, and the staff at present maintained for collection of water rates should be reduced.

The Committee invites the attention of Government to that portion of official evidence in which it is stated that the cadre of the India Service of Engineers is still above strength and while they are not prepared to fix the percentage of reduction that may be found practicable, they recommend that the whole cadre of Executive Engineers and Assistant Engineers should be carefully examined, revised and reduced.

The Committee is of opinion that buildings constructed by the Public Works Department are generally very expensive. They recognize that this is to some extent due to the type of plan adopted, with which the Public Works Department is little concerned. This matter, it is understood, rests in the hands of the administrative head of departments, and in the opinion of the Committee these officers should be impressed with the necessity of adopting plans of a much simpler and cheaper type than those used at present. This is particularly important in the case of Educational buildings.

It has been stated in the official evidence that the cost of building could be appreciably reduced by changing the design and by using less wood work, and it is hoped that necessary steps will be taken in future to effect economy in this direction. The Committee also desire to emphasize the importance of adhering to a fixed scale of accommodation for each class of officers determined in accordance with their pay.

It is desirable that the materials of building should always be of Indian manufacture so far as these are available, but if it is necessary to purchase materials of foreign manufacture, these should always be procured from the cheapest market, irrespective of the country of their origin.

The sums spent on original works fluctuate a good deal from year to year. For this reason the department is not in a position to know how big a staff will be required for the work to be carried out

in any particular year, and it is therefore necessary to maintain a staff which may sometimes be in excess of the actual requirements. To obviate this form of waste the Committee recommends that the sum which shall be available annually for original works should be permanently fixed and for this purpose they suggest the sum of Rs. 20 lakhs, which shall cover both Reserved and Transferred projects.

In the same way the Committee recommends that the amount to be spent annually on repairs should not exceed Rs. 10 lakhs, and that the staff maintained for this work should be fixed with due regard to this amount.

The attention of Government is drawn to the suggestion made in the evidence to the effect that economy as well as efficiency would be promoted by adoption of a less formal and more business-like clear and concise system of correspondence.

#### AGRICULTURE, CO-OPERATIVE AND INDUSTRIES DEPARTMENT.

The Committee considered at some length the question of amalgamating the above three departments or two of the three, and in this connection they examined the discussion that took place in 1918 and in 1916, when suggestions were made for the amalgamation of the departments of Agriculture and the Co-operative Societies. After considerable discussion the opinion of the majority of the committee is that the department of industries is a young and developing department of much promise and should continue to be a separate unit under a wholetime Director. The Agriculture Department on the other hand has not fulfilled the expectations that were entertained at its inception, and is now less important practically than it was some years ago. It is therefore recommended that this department should be amalgamated with the Co-operative Department, with the modification, if necessary, that the administrative work of the Agricultural Farms should be performed by the Under-Secretary in the Revenue Department of Government.

The post of Deputy Registrar in the Co-operative Department was sanctioned by the Secretary of State in 1910. This post has not yet been filled up and the Committee are of the opinion that the necessity will not arise of appointing any officer to the post. It should therefore be abolished.

It was recommended by the Agriculture Committee that the post of Agricultural Chemist should be retained for some time with a view to undertake the Soil Survey of the province. The estimate of the cost of this survey, which has been since prepared, shows that it will be a costly and lengthy affair, which is beyond the resources of the province. The Committee is therefore of the opinion that the survey should not be undertaken, and that the



post of Agricultural Chemist, the retention of which is not justified on other grounds, should be abolished as soon as possible.

In the present state of the Department of Industries there is no necessity for a Deputy Director, and this post should be discontinued. The Director however should be an officer capable of studying the natural resources of this country, of developing by proper organization the existing industries, and of utilizing all available sources for the purpose of supplying the multifarious demands of this and other countries.

A highly paid Mechanical Engineer attached to the Department of Industries is a luxury which at present is not justified in this province. His work should be carried out by Circle Officers with the necessary mechanical knowledge. Until, however, different employment can be provided for Mr. Marchington, the present incumbent of this post, should be retained as Personal Assistant to the Director and should also carry out the work of Mechanical Engineer when necessary.

Subject to the above recommendation the Committee is of the opinion that having regard to the nature of the work now required of the Personal Assistant to the Director of Industries it is unnecessary to employ a highly paid officer to that appointment.

#### REGISTRATION DEPARTMENT

The post of the Inspector General of Registration and the Excise Commissioner are at present combined under one officer. The Committee recommend that arrangement should continue but the officer should be appointed from the Provincial Service.

#### VETERINARY DEPT.

The majority of the Committee consider that the supervision of this Department can adequately be carried out by the Director and two Assistants and that the posts of two Deputy Directors are unnecessary.

#### STATIONERY & PRINTING

The Committee recommend that an expert committee be appointed to examine the costs incurred on stationery and printing by the various departments in this province with a view to suggest points for retrenchment. At the same time the Committee wish to observe that a considerable economy could be effected if more care were taken to avoid printing unnecessary papers. In this connection it is pointed out that before a Bill is introduced in the Legislative Council it is printed several times in *extenso*, although it may have been altered in one or two sections only. It would be well if Government were to examine carefully whether the work

of printing could not be carried out more economically by private presses, with a possible exception in the case of confidential papers.

#### PUBLICITY BUREAU

The annual cost of this Department as shown in the budget is Rs. 33,000 but its actual cost, including printing and postage and other charges, probably is not less than three times this sum. The Publicity Office is not doing a great amount of work, and the utility of such work as it is doing is questionable. For all practical purposes its place might be taken by a system of issuing official *communiqués* from the Departments of Government concerned, and when the financial position of the province improves it might be desirable to publish the proceedings of the Legislative Council in the Hindi Gazette. But the expenditure at present incurred by the Publicity Bureau is not justified, and the department should be abolished.

#### MISCELLANEOUS

A large number of duty allowances has from time to time been sanctioned by the Secretary of State, Government of India, or the Local Government. For various reasons it is desirable to re-examine these allowances. In the first place financial stringency demands that every possible means of retrenchment should be explored. Secondly, there has been a general decrease in the pay of officers. Again, the total number of officers has increased in recent years, and the volume of work to be done by each officer has therefore to some extent been reduced. Finally, the Committee consider that in very many cases these allowances were in the first instance unjustifiable or excessive, while in other cases they have become so by the lapse of time. It is therefore recommended that all such allowances be either reduced in amount or altogether discontinued wherever possible.

Travelling allowance bills should be scrutinized closely by the controlling officers with a view to reduce more unnecessary journeys (which at present are freely undertaken) and to obviate other abuses.

The Committee consider that the necessity for the retention of stenographers in those cases where they are at present maintained should be carefully examined, and their number reduced. The allowance at present given to certain clerks for shorthand work should also be examined.

Regarding the curtailment of clerical establishment in the various departments of Government including the Secretariat, the Committee are not in a position to make any detailed recommendation. It is therefore suggested that Government should appoint a

small expert Committee to examine the requirements of each Department in the matter of clerical staff. In this connection it is recommended that the question of reduction in the volume of correspondence and returns should be particularly examined.

In conclusion the Committee desire to impress upon Government the necessity of immediate and substantial relief to the provincial Exchequer. Half-hearted measures are useless. Wherever the recommendations of the Committee are accepted by Government, effect should be given to them with the least possible delay. In particular, when the cadre of any service is to be reduced, efforts should be made to bring about the reduction at the earliest date possible.

H. Le Mesurier	...	...	(Parts I and II only.)
Fakhr-ud-din.			
M. S. Das.			
Khwaja Muhammad Nur.			
Purnendu Narayan Sinha	...	...	(Subject to a separate note)
Dwarka Nath	...	...	(Subject to a note.)
P. K. Sen	...	...	"
M. Yunus	...	...	"
Ganesh Dutta Singh	...	...	"

### Note by Non-Official Members

We have carefully considered the recommendations of the Committee embodied in the Part I of the Report. We find that the report does not embody some of our views in clear and unmistakable terms. Some of our recommendations, as they appear in the report, seem to be not of a definite and specific character. It would be difficult to give effect to them unless they are made more definite and clear and unless the language is such as to be incapable of any other interpretation save as desired by the members of the Committee. It would not be proper to re-draft this chapter as it was written by the Hon'ble Sir Haviland LeMesurier, the President of the Committee. We therefore invite the attention of the Government to the proceedings of the Committee on which that report is based. A perusal of it will clear all ambiguities and show the exact nature of our recommendations and the manner in which we would like them to be given effect to. Apart from the obscurities referred to above, the following recommendations which were adopted by the Committee in the course of their discussions have been omitted from Part II of the Report:—

(i) *Police*.—The number of Court inspectors and Court Sub-Inspectors can be reduced, and private parties should be allowed to

retain their own pleader except in cases where there may be specific reasons for not giving such permission.

(ii) The number of teachers in the Police Training Schools and Police Training College should be materially reduced.

(iii) *Administration of Justice*.—A very careful examination should be made of the payment of what are known as "special fees" in session cases, and where the parties desire to be represented particularly on appeal and motion by specified legal practitioner the cost of so doing should devolve upon themselves, and if parties are allowed to prosecute, the cost should be recovered from themselves.

(iv) The Village Administration Act should make possible a material reduction in the future strength of the Judicial Service, particularly in view of the increasing power granted to the panches.

(v) Combination of offices in the Civil Court should lead to economy, and the system should be given a trial. It might be introduced in one of the districts where the question of building difficulty does not arise.

(vi) If the old system of the Calcutta High Court for the preparation of paper books be adopted in this High Court with such modifications as may be necessary, considerable saving will be obtained by the Government and the litigants. We therefore recommend that the old Calcutta system be adopted by the Patna High Court.

(vii) Having regard to the financial conditions of this province the question of the appointment of Additional Judges in future in the High Court should be carefully considered.

(viii) The Hon'ble Judges of the High Court should be requested to hold their Courts on Saturdays and to curtail appreciably the number of holidays and the vacation.

(ix) The post of Registrar of the High Court should be recruited from the Bar on a salary of Rs. 1,200 to Rs. 1,500.

(x) The selection should be so made that the Assistant Registrar may be eligible for the post of Deputy Registrar, and the Deputy Registrar for the post of Registrar. By this arrangement economy combined with efficiency will be obtained as also the experience of these officers now lost by the constant transfers.

(xi) The pay and strength of the staff and establishment of the High Court should be carefully examined by an expert committee and revised according to its recommendation.

*N. B.*—Mr. P. K. Sen does not agree with *vi. vii. viii. and ix.*

(xii) *General Administration*.—The post of Secretary to the Council should be held by a person experienced in jurisprudence work either as lawyer or a non-official member, and he should also be

in charge of the office establishment. His pay is to be decided by the Council itself. The appointment of a civilian to this post should be regarded as a temporary device.

(xiii) The three posts of Assistant Superintendent and the Head Assistant in the Council Office are redundant and a reduction might be made by the abolition of the office of the Superintendent.

(xiv) The necessity for Registrars has probably ceased with the greater subdivision of the Secretariat which now prevails and their duties might suitably be combined with those of the Under-Secretaries and the Head Assistants.

(xv) In connection with the appointment of Honorary Magistrates, Govt. should examine the possibility of recruiting senior lawyers practising in the Civil Courts and retired Deputy Magistrates.

### LAND REVENUE & POLICE.

1. The whole scheme in connection with settlement operation should be placed before the Council without limitations, and the expenditure as a whole should be fixed by the Council who will vote the sums from year to year.

2. We also strongly urge on the Government the desirability of abolishing that branch of the Criminal Investigation Department which does not deal with professional and organized crimes. It is useless to retain this Branch of the service which deals with rebellion, sedition and anarchy in the land. Sedition cases can very well be dealt with by the ordinary Police. The reporting of speeches at public meetings can very well be done by the ordinary police, some of the Police Officers having been specially trained in shorthand reporting. The staff of the other branch which deals with organized and professional crimes appears to be unduly large and a reduction can safely be made without affecting efficiency.

### ADMINISTRATION & CIVIL JUSTICE

3. In our opinion it will be economical to appoint Honorary Munsiffs. At present the expenses on the Judicial side are getting heavier every year and ought to be curtailed. Litigation is also increasing and the number of suits is on the increase. Most of these suits are of a trifling nature and do not involve any intricacies of law. Practically they are almost of Small Causes Court nature. Money suits involving a simple claim for payment on one side and denial of liability on the other are generally of a very simple nature. So are Rent suits in which the only defence is a plea of payment. In these suits generally the question is one of facts, and they can very easily be disposed of by any man of ordinary education and commonsense. They are simpler than the criminal

cases that are tried by the Honorary Magistrates. When questions affecting the liberty of the person can be tried by Honorary Magistrates, there is no reason why the question of payment or otherwise concerning small amounts of money should not be tried by Honorary Munsiffs. Under the *Village Administration Act* petty cases will be heard by *Village Panchayets* who will practically be the Village Munsiffs. Their jurisdiction will be up to Rs. 50 in Money Suits and up to Rs. 25 in Rent Suits. When villagers are to be trusted up to this amount, there is no reason why the educated men of the towns should not be entrusted in similar cases to try suits of larger amount. Practically it will be forming *Panchayets* in the Municipality giving them jurisdiction over a large amount by raising the qualification of the *Panches*. If this course is adopted it will reduce the number of Munsiffs to a very large extent, at least by about 25 per cent. There is another matter in this connection which deserves careful attention. If the recommendations of the Committee appointed for the separation of the Executive and the Judicial functions are adopted, one officer in the sub-division will be quite sufficient for both criminal and civil work in case Honorary Munsiffs are appointed to assist him. The Bengal Retrenchment Committee have also recommended the appointment of Honorary Munsiffs.

4. The trial by Sub-Judges of Insolvency, Succession, Probate and Administration and Contested Will cases would obviate the necessity of officiating Additional Judges.

5. We are of opinion that the number of Secretaries to the Govt. is rather more than that actually required for the work of the Secretariat. The work can very well be done by 4 Secretaries.

If the Legal Remembrancer is regarded as a Secretary, then five Secretaries ought to suffice. A portion of the work of the Legal Remembrancer has now been taken up by the Council Secretary. Therefore some other departments may be transferred to him.

6. We wish to emphasize that the number of Deputy Collectors and Sub-Deputy Collectors is unduly large. The cadre should be carefully scrutinized and speedy reduction effected in its strength.

7. We also recommend Honorary Physicians and Surgeons to be attached to Medical School and College. This experiment might also be tried in some of the hospitals with advantage.

#### INDIANIZATION OF SERVICES

It is impossible to separate the question of the Indianization of the services from that of Retrenchment. If real retrenchment is to be effected it can only be done by substantially reducing the number of highly paid European officers belonging to the Imperial service.

If we have to employ Europeans we must pay them higher salaries than what must be paid to the Indian. There seems to be absolutely no reason why Indians should not be content to receive lower salaries for appointments which are now held by European officers. The only way, therefore, to effect a substantial reduction in the cost of this top-heavy administration is rapid Indianization of the services and payment of reasonably lower salaries to Indians. There is no dearth of qualified Indians in this province and in the country. The Indianization of services is a question which is engaging the attention of both the people and the Government. We consider that the recruitment of Europeans to all Indian Services should be materially curtailed and immediately abandoned in some departments. In the case of the Judicial Services Indianization can be effected much more rapidly than in other services. If it be decided to recruit the entire judiciary from the members of the Bar, in some cases with honorary allowances only, a great saving can be effected. We consider that recruitment of Indians on the present terms to the All India Services should cease and that Indianization on such terms as may be determined on should be made with special reference to the need of the province.

Since our discussions were over the Report of the Bengal Retrenchment Committee has been published. It is impossible to ignore this valuable Report. Bihar and Bengal were united together up to 1911. Separation was effected in 1912 and was completed in 1916. The system of administration in both the provinces is the same ; the rules and regulations are exactly similar. It is therefore necessary that the Govt. of B. & O. should carefully consider the report of the Bengal Committee and adopt such of the recommendations as are of practical character and not specifically considered by us, and as are suited to the conditions existing in this province. Our own recommendations in many respects are of a similar character. But there are certain matters which have been carefully examined by the Bengal Committee with the help of official experts in some cases. The recommendations are of a valuable character and require careful consideration. We therefore strongly recommend that the Government may be pleased to examine the recommendations of the Bengal Committee in general and those embodied in chapters 19 to 24 and 26 to 28 in particular.

(sd.) Dwarka Nath

P. K. Sen

M. Yunus

Purnendu Narayan Sinha

Ganesh Datt Singh

## REPORT OF THE Punjab Retrenchment Committee

The report of the Punjab Retrenchment Committee was submitted to Government on 23rd January 1923. The Committee owes its origin to a resolution which Mian Mahomed Shah Nawaz desired to move in the Punjab Legislative Council in July 1921. Government, however, accepting the suggestion, appointed a committee on 30th July 1921 "to advise on retrenchment in public expenditure." The Committee consisted of the following members :—

Sir Patric Fagan ; C. M. King Esq. ; E. Joseph Esq ; B. T. Gibson Esq. ; D. J. Boyd Esq. ; Monohar Lal Esq. ; J. Boyd Esq. ; Dewan Bahadur Raja Narindra Nath ; Ganpat Rai Esq. ; Mian Mahomed Shah Nawaz Esq. ; Sayed Mahomed Mahamad Hussain Shah ; Moulvi Mubarram Ali Chishti and Sardar Dasundha Singh. The deliberations of the Committee were private. They first met in August 1921. They sought suggestions from heads of Departments to reduce sanctioned charges by 20 per cent. Members of Legislative Council also were asked to submit suggestions. Replies were received in January 1922. From the reports of the former it was found that no very great retrenchment could be effected. The replies from the latter were disappointing.

On 6th January 1922 the replies received from officials and others were considered and it was resolved to ask Government to appoint a small Committee consisting of two officers on special duty and one non-official member to collect preliminary data. Mr. H. B. Casson, Col. Buck and Mr. Ganpat Rai were appointed for the purpose.

The third Meeting of the Committee took place in April 1922 at which certain important resolutions were passed. A Sub-Committee consisting of Mr. King, Mr. Ganpat Rai and Moulvi Moharram Chishti was appointed to discuss proposals with the heads of Departments.

There were differences of opinion among members of the Committee as to the scope of retrenchment. Up to the end of April it was understood to effect economies only without involving any large change in policy. Subsequently the scope was enlarged following the terms given to the Inchcape Committee.



Three of the members of the Committee left India by April 1922. They are Sir Patrik Fagan, Chairman; Mr. E. Joseph and Mr. B. T. Gibson. Then Mr. C. M. King became Chairman and appointed Messrs. E. B. Abbot, H. D. Craik and Miles Irving to the Committee.

At a meeting of the Committee held in June 1922 the procedure was discussed. The budget was discussed with heads of departments. The recommendations made have not been invariably unanimous nor was it possible to calculate all possible defects. These have been grouped under separate budget heads.

## THE MAJORITY RECOMMENDATIONS

### BUDGET HEAD 5—LAND REVENUE.

1. The Committee considered at great length and with the assistance of the Director of Land Records a proposal that a reduction be made in the number both of Extra Assistant Commissioners or other Revenue and Settlement Officers appointed for the revision of records, and also of patwaris, and that the post of Director of Land Records should be abolished.

The expenditure on patwaris amounts approximately to twenty-four lakhs and on the Director of Land Records' office to eighty thousand rupees per annum.

In addition to his revenue record work the revenue patwari has to do so much work of a miscellaneous character, essential to the good of the country, that it is impossible to abolish him altogether, or even to reduce the number of patwaris very greatly without serious administrative inconvenience.

The Committee observed that the determining factor in the size of patwari circles is almost invariably the area which at the time of girdwari can be efficiently inspected.

The Committee are of opinion that in the new colonies, where killebandi exists and where tenures are simplified, it is possible for patwaris to undertake larger circles than are at present normally allotted to them and that where these conditions prevail, or where for other reasons there is little change in the land records, there the introduction of eight-yearly, instead of four-yearly jamaband deserves investigation. They consider that it would not be possible without endangering the accuracy of the land records system, of which the Punjab is so justly proud, to advocate any general reduction in the number of ordinary patwari circles outside colony areas. They therefore recommend that the possibility of reduction in the number of patwaris in some of the colony areas should be investigated by Government. They hold that

the post of Director of Land Records should not be abolished, but they consider that should the scheme for the separation of judicial from executive functions come to maturity and should Executive Officers, relieved of judicial work, be able to divert attention to revenue inspection and control of revenue affairs, then the post of Personal Assistant to the Director of Land Records could be abolished.

#### ANTICIPATED SAVINGS Rs. 32,000.

2. After consulting Commissioners, who were not unanimous but showed a disposition to accept the proposal, the Committee recommended that, except in two or three districts where special necessity is proved, the post of Reader to Deputy Commissioners be abolished.

3. The question of the possibility of amalgamating (a) canal revenue patwaris with the existing land revenue patwaris, and (b) the Canal Revenue Department with the Land Revenue Department, was fully discussed. It was explained that though both canal and revenue patwaris bear the same designation yet their duties are distinct, and that both staffs are necessary; it was suggested that the "fasalana" of the canal patwari will be taken by whoever holds the key of the water gates, be he revenue or canal official, and that transfer of control from one department to another will make no difference in the amount levied, and this whether "fasalana" be considered an innocent tip or a wrongfully exacted bribe. The old arguments for and against amalgamation set out in the Colonies Report came under examination. The six years' experiment condemned as a failure by Sir John Maynard and Sir Patrick Fagan was reviewed. But nevertheless unofficial opinion remained unanimously convinced that if the Canal Department were reconstructed and the Engineering work only retained by that Department, while revenue work were handed over to Revenue Officers under the control of the Collector, there would be an immense saving to the resources of the zamindar.

The Committee observed that in the experiment of 1911 to 1917 the work of the Land Revenue Department was made over to the Canal Department. What non-official members now ask is the exact reverse, *viz.* that the canal revenue work be handed over to the Land Revenue Department. They anticipate that this step will lead to better administration and ultimate economy, because they believe that it will be possible to reduce in number the total of revenue plus canal Patwaris, Tahsildars and Naib-Tahsildars plus Zilladars, and Extra Assistant Commissioners plus Deputy Collectors. Having regard to the weight of non-official sentiment, the Committee recommend that, as an experiment to last five years on a unit of

area as large as may be practicable but in any case not less than one Rajbaha, the entire assessment staff be placed under the control of the Collector and that the canal staff be responsible only for the maintenance of the canal generally and in particular for the supply of the stipulated head of water at the various outlets. The Committee suggest that the whole of the area in British Territory served by the Western Jumna Canal might be made the subject of the experiment.

4. The attention of the Committee was drawn to the fact that district copyists are paid by the piece and that this system is not popular with the copyists or remunerative to Government. The Committee recommend that copyists in District Offices be entertained as Government servants on time scale. The Committee believe that copyists will welcome the security of tenure thus afforded, and are of opinion that there will result a gain to Government.

#### BUDGET HEAD 6—EXCISE.

The Committee observed that the expenditure on Excise has increased from 2 lakhs in 1913-14 to 3½ lakhs in the current year's budget. The Committee examined S. Bisben Singh, Excise Superintendent, in great detail and were satisfied that it would be unsafe to propose any reduction in expenditure. On the contrary, they find reason to apprehend that any such reduction would be followed by a more than corresponding decrease in receipts, income from Excise having multiplied very much more rapidly than expenditure thereon.

#### BUDGET HEAD 7—STAMPS

(i) A generous commission on the sale of stamps was originally necessary in order to popularise their use. This reason no longer applies as the general public are familiar with the main provisions of the Stamp Law.

The Committee recommend that the commission on sale of stamps be reduced, especially in the case of court-fee stamps, a form of taxation which it is practically impossible to evade.

(ii) The Committee discussed a proposal that no commission on sale of stamps be paid to Treasuries or Agents, provided that no other license for such sale be given within a radius of a quarter of a mile from a Government Treasury or Sub-Treasury.

The suggestion appears to the Committee likely to result in economy and is recommended to Government.

#### BUDGET HEAD 8—FORESTS

(i) Discussion revealed the fact that there exists a very grave misapprehension among the public as to the working of the Forest

Department, a misapprehension for which the apparent increase in budget expenditure from 10 lakhs in 1913 to 55½ lakhs in 1922-23 would seem responsible. Forest accounts as issued at present do not distinguish between capital and revenue items and therefore do not present a clear picture of the facts, while satisfactory scrutiny is impossible. The Committee rejected, as likely to be expensive in time and money, a suggestion that all forests should be valued and separate accounts kept of each based on that valuation.

They recommend that, in future, forest accounts should be so kept that items of capital expenditure be deducted from the total annual expenditure, that the balance which represents true current expenditure be restricted to a certain proportion of the income, and that in this item of annual current expenditure should be included interest charges on all capital expenditure up to date. The Chief Conservator of Forests stated that for his part he was prepared to accept the proposal, and suggested that the ratio of 7 to 10 should be maintained as between expenditure and income. The majority of the Committee, after hearing the Conservators, were satisfied that the Department is working efficiently and concurred in the ratio which he suggested. The criticisms in the minority report appear to them to be based on a misunderstanding of facts.

(ii) The Committee also considered the "truck" system of working in the Forest Department, but after hearing the explanations of the Chief Conservator unanimously decided that there was no retrenchment in this direction which they could propose.

#### BUDGET HEAD 22—GENERAL ADMINISTRATION

(i) The Committee discussed the abolition of one of the Financial Commissioners, and alternatively, the abolition of the post of Revenue Secretary to Government, Punjab. The duties and responsibilities of the financial Commissioner (Development) and the history of the post were explained.

#### ANTICIPATED SAVING Rs 31,801.

The Committee are definitely satisfied that neither of the Financial Commissioners should be brought under reduction. They realise the disadvantage in principle of combining in a single individual the posts of Head of a Department and Secretary, but they feel that these objections cannot apply with their usual force to the case of the Financial Commissioners whose varied experience should make it possible for them to retain the initiative required in a Head of a Department, while exercising the critical faculty demanded of a Secretary. They feel therefore that it is feasible that the Financial Commissioner should be made Secretary to Government and should

undertake part of those duties which the Revenue Secretary has hitherto performed. The exise work of the Secretary, Transferred Departments, should then be transferred to the Financial Commissioner as Secretary to Government. This will result in the saving of the pay of one Secretary.

(ii) The abolition of the post of Commissioners was considered at great length. The necessity of an intermediary between Government and the District Officers, the value to junior District Officers of the advice and unofficial Assistance of senior officials, the advantage of having officials of ripe experience in immediate touch at once with the people, the District Officers and Government, the necessity of arranging for appellate courts in revenue matters, and the large amount of miscellaneous work impossible of statistical expression which fall to the lot of Commissioners—all these arguments were canvassed.

#### ANTICIPATED SAVING RS 1,52,000 PER ANNUM

Eventually on a proposal to reduce the number of Commissioners to two the Committee were evenly divided but by 7 to 4 votes (one member remaining neutral) the Committee resolved to recommend that the number of Commissioners be reduced from 5 to 3.

(iii) The committee discussed a proposal that the pay of certain officials. *e. g.*, President, Legislative Council, High Court Judges, Assistant Legal Remembrancer and Public Prosecutors be reduced.

The Committee resolved that the salary of the President should not be recommended for retrenchment. They observed that the salary of High Court Judges was a central subject and outside their purview. They rejected the suggestion that the pay of the Government Advocate and of the Assistant Legal Remembrancer should be reduced, but they are of opinion that the emoluments of the Public Prosecutors in the Province as a whole should be reduced to the extent of Rs. 50,000. The Committee suggest to Government that this can most suitably be done by introducing a system of fixed salaries, a position accepted by the Legal Remembrancer.

#### ANTICIPATED SAVING RS. 50,000.

(iv) A suggestion was advanced that new Indian Members of the Indian Civil Service should be locally recruited and should receive not more than two-thirds of the pay of Indian Civil Servants recruited after examination in England.

The Committee recommend that if it be a fact that the Indian Civil Service no longer attracts Englishmen from England, and that the service is becoming rapidly Indianized, and may become so

completely in a short time, it seems unnecessary to continue a rate of salary for Indians entering the service that was intended to attract Englishmen from abroad : and it would seem that the appropriate scale should be about two thirds the present scale.

#### ANTICIPATED SAVING 8,000 PER ANNUM.

(v) The Committee considered the post of Council Secretaries. They appreciate the reason which led Government to create these posts : but having regard to all the circumstances they consider that they should be abolished forthwith.

(vi) It was pointed out that non-official Sub Registrars cost Government Rs. 1,20,000 per annum.

The Committee recommend that in future non-official Sub-Registrars should not be appointed except in a very few tahsil and District head-quarters, in which registration work cannot be done by official agency.

(vii) A proposal was considered to the effect that, with the exception of His Excellency the Governor and his staff, all exodus to the hills should be permanently stopped. The difficulty of Secretaries enjoying any leave during their tenure of office and the impossibility of carrying on without leave under the strain of modern conditions in the hot weather was explained ; and the opinion expressed that it would become most difficult to recruit Secretaries if this resolution were adopted. After hearing all the arguments the opinion of the majority of the Committee was that the existing system should be continued.

(viii) The Committee considered the question of allowances and recommend that every allowance now classed as special pay and compensatory allowances other than travelling allowance be carefully scrutinized by Government with a view to determining whether the allowance is justified.

(ix) The question of travelling allowance was discussed with each Head of Department. There was a general consensus of opinion that existing travelling allowance rules are open to abuse.

The Committee are of opinion that new rules should be framed on the basis that reasonable actual expenditure be repaid together with a contribution by Government towards the maintenance of means of locomotion required for official purposes. The Committee recommend that savings should be effected to an extent of not less than 1/3rd of the expenditure in 1921-22, viz. Rs. 15,00,000.

(x) The question of holidays and of the difference in the practice of Civil and Criminal Courts in this regard was considered.

The Committee are of opinion that some saving might be effected by restricting the number of holidays allowed to Civil Courts

to the general holidays allowed for all public offices; further, that Civil Judicial Officers should have no vacation in September.

#### BUDGET HEAD 26—POLICE.

The Police Budget has risen from 5½ lakhs in 1913-14 to 114 lakhs in the current year.

A resolution was received for discussion to the effect that Circle Inspectors should be abolished. This step, the Inspector-General of Police explained, has already been taken, but he pointed out that no economy would result therefrom as it is necessary to spend the money that would otherwise be saved in increasing the number of Deputy Superintendents. The Inspector-General laid the facts as regards the recruitment, retirements, and resignations of the Police before the Committee and satisfied them that no reduction can be contemplated in the Police Budget, or in the superior posts of the departmental cadre.

#### BUDGET HEAD 30—SCIENTIFIC DEPARTMENTS.

The Committee discussed the recent proposal to appoint six Clinical Assistants to the Laboratory of the Lahore Medical College. The Inspector General of Civil Hospitals explained that the reason for these proposed new posts was that complaints had been received from the Medical Faculty in England that the standard of training of Medical students in Lahore was insufficient. Steps therefore must of necessity be taken to raise the standard. There were two possible alternatives. The one to recruit Assistant Surgeons of the Provincial cadre, in which case the expenditure should not exceed Rs. 500 per post including Rs. 150 per mensem Lahore allowance, the other to attract the men with the best qualifications in India, in which case it was anticipated that posts would have to be offered at Rs. 500 initial rising to Rs. 1,000, with possibly an additional Lahore allowance of Rs. 150. The Inspector-General of Civil Hospitals admitted that there are already four Demonstrators on the lower scale who would probably demand to come on the higher should the latter proposal be adopted.

The Committee, while fully recognising the advantages attaching to the proposal to have as Clinical Assistants the very best men available in India, are of opinion that these advantages do not counterbalance the disadvantages of having to offer a very much higher rate of pay than would be necessary if the six appointments of Clinical Assistants were added to the cadre of Assistant Surgeons. The Committee are informed that men of the grade of Assistant Surgeon, and of even a higher class, fully qualified to be Clinical Assistants, would be forthcoming in sufficient numbers to permit of a careful selection being made for these six appointments even if

the pay remained at its present figures, *vis.* the grade pay of Assistant Surgeon plus Rs. 150 per mensem Lahore allowance.

#### ANTICIPATED SAVING—Rs. 50,000.

In view of the financial stringency the Committee therefore consider that it is not necessary to fix the pay of Clinical Assistants at a higher rate than that of Assistant Surgeon plus the usual Lahore allowance of Rs. 150 per mensem, and that the proposal of appointment on higher salary should at once be dropped.

#### BUDGET HEAD 30—EDUCATION.

The Committee devoted two days to a consideration of the Education budget and, in addition, the Director of Public Instruction kindly afforded Mr. Ganpat Rai, on behalf of the Committee, an opportunity of examining in minute detail further items of expenditure. Expenditure on education has increased from Rs. 44,25,000 in 1913-14 to Rs. 50,13,000 in 1917-18, and Rs. 1,05,47,000 in the current budget. This increase in expenditure has been accompanied by an enormous increase in the number of pupils; 515,000 boys are now receiving education out of an estimated maximum number of 1,600,000 boys of a school-going age. The numbers in 1913-14 were 363,419 and in 1917-18 408,925. The increase in pupils throughout the Province in the past year has been 70,000. The average additional cost per pupil is Rs. 10 for buildings, furniture etc., and Rs. 10 for teaching, *i. e.*, Rs. 20. Suggestions made to the Director of Public Instruction as to a more economical utilization of existing buildings, the reduction of unnecessary supervision and possible improvements in curriculum and equipment, elicited the information that all these matters are having his close attention and that the economies which the Committee otherwise had been prepared to suggest are already being initiated. The Committee agreed with the Director of Public Instruction that there is in existence considerable communal rivalry and that this rivalry results in expenditure that would otherwise be unnecessary. They consider that the matter is one which demands the careful consideration of the Education Committee. The Committee also noted the Director of Public Instruction's opinion that the existing system of University education tends to extravagance, especially as regards the Intermediate course, but they are not in a position to pursue this point.

After hearing the views of the Director the Committee offer the following recommendations as likely to result in economy:—

(a) No grant in-aid should be sanctioned for new Colleges in Lahore.



(b) Government should not be called upon to defray the cost of prizes in schools.

(c) The allotment of Rs. 11,000 distributed by touring officers of high rank should be retrenched.

#### ANTICIPATED SAVING Rs. 11,154.

(d) The "Institute of Commerce" serves no useful purpose and should be abolished as soon as possible.

(e) Grants to Industrial Primary Schools should be abolished with effect from April 1923.

#### ANTICIPATED SAVING—Rs. 3,900.

(f) The post of Assistant Inspector of Industrial Primary Schools should come under reduction.

(g) The position of Lower Middle Schools should be considered and a simplified curriculum devised which would render possible in certain cases the substitution of Junior Vernacular for Senior Vernacular Teachers.

#### ANTICIPATED SAVING—Rs. 2,31,000.

The Committee are satisfied that the Department of Education has already initiated far-reaching schemes of economy. They believe that all possible steps to secure the economic working of the Department have already been taken or are under consideration. They realise that with the prospective increase of 70,000 per annum in the number of pupils, no reduction in annual expenditure can be expected: but they hope that the economies to which they have referred will result in a considerable diminution in the annual expenditure upon each pupil.

#### BUDGET HEADS 32—MEDICAL; AND 33—PUBLIC HEALTH.

In 1913-14 the Health and Medical Services Budget was 44½ lakhs; in the current year it is 144 lakhs.

As regards the budget under the control of the Inspector-General of Civil Hospitals a very searching examination of the detailed expenditure was made on behalf of the Committee by Mr. Ganpat Rai in consultation with Colonel MacWatt. Colonel MacWatt pointed out that, thanks to the good health of the Province, there would be a saving of Rs. 75,000 this year on the budget allotment for "Reserve Assistant Surgeons." He also explained that provision was made annually for the purchase of quinine when the market was favourable. The price varied from Rs. 30 to Rs. 100 per lb., and if it was purchased only at the time when epidemics were raging, the monopolists who controlled the commodity could force prices up. Of the sum set apart for purchase of quinine

this year some Rs. 45,000 would not be spent. There will thus be a saving, though not properly speaking a retrenchment, in the Medical Budget of Rs. 1,20,000.

As regards the staff under the control of the Director of Public Health, such further economy as may be effected by amalgamating staffs hitherto employed for specialized epidemics is already being carried out.

The Committee recommend Colonel Forster's proposals—

- (1) To reorganise the plague staff.
- (2) To make use of the occasional absence on leave of an officer to effect a temporary reduction at times when the state and prospects of the public health make such a course justifiable.

**TOTAL ANTICIPATED SAVING—Rs. 60,000.**

The Committee also note with satisfaction that the Divisional Inspectors of Vaccination have been abolished and that thereby a saving of Rs. 6,500 will result.

#### **BUDGET HEAD 34—AGRICULTURE.**

(i) The Committee discussed the somewhat vexed question of Government farms. Non-official opinion is clearly against them. The Committee recommend that Government cease to be responsible for any expenditure on Demonstration Agricultural Farms.

(ii) After learning from the Director of Agriculture that the maximum annual expenditure has already been reached in the case of the Bara Reclamation farm in Montgomery, and that the money spent hitherto would be altogether wasted if the scheme were abandoned now, the Committee recommend that the farm be continued.

(iii) The Committee discussed a proposal that the Departments of Agriculture and Industries should be re-amalgamated but agreed that the suggestion was not feasible. Should the Director of Agriculture cease to be responsible for the Veterinary Department they consider that the Directorship might be given to a less highly-paid official than a member of the Indian Civil Service.

#### **BUDGET HEAD 35—INDUSTRIES**

(i) The Committee, after hearing the Warden of Fisheries, agreed that the Department should not be abolished, but considered that the gross expenditure should be limited to Rs. 45,000 per annum.

(ii) They recommend that the license fee of fishermen be raised from Rs. 3 to Rs. 6.

**ANTICIPATED SAVING—Rs. 20,000.**

(iii) The Committee are unable to believe that the *Industrial Bulletin* serves any purpose commensurate with the cost, and recommend that it be discontinued forthwith.

## BUDGET HEAD 41—CIVIL WORKS.

The expenditure on Civil Works in 1913-14 was 1 crore and 8 lakhs and in the current budget provision is made for an expenditure of 1 crore and 27 lakhs. Of this 45½ lakhs are required for repairs, 47½ lakhs for Civil Buildings and Communications, 17 lakhs for Establishment (as against 8½ lakhs in 1913-14), the balance being spent on works in charge of Civil Officers.

The Committee observed that, under the existing system, Public Works are constructed by the Buildings and Roads Branch by the Irrigation Branch, and also by the Engineering staff of District Boards. These latter are in fact financed by Government so that in reality Government is employing three channels for carrying out one single class of work. In the course of a long discussion, in which the Chief Engineers assisted, there appeared a general unanimity that there does exist at present a considerable overlapping and that the point for decision is whether the District Engineering staff should absorb the Public Works Department, or *vice versa*. The Chief Engineer, Roads and Buildings, stated that if the Public Works Department were entrusted with the work which is at present under the complete control of the District Board Engineering staff, he anticipated that there would be a saving of Rs. 72,000 per annum. He also emphasized the point that service under District Boards being "foreign service," engineers of the Imperial Service could not be deputed to serve under District Boards without their express consent. The Sly Committee's report and its various recommendations and Sir Ganga Ram's minute of dissent and the proceedings of the Punjab Committee which considered both were fully discussed.

(5) The Committee recommend that immediate action be taken on the Sly Committee's report and the proposal of Sir Ganga Ram be accepted for this Province as leading to an immediate retrenchment, but that in order to facilitate the possibility of having recourse to the expedient devised by the majority of the Sly Committee, in future engineers should be engaged on condition that their services would be subject to transfer to District Boards if necessary. The Committee fully realise the importance of the education of local bodies towards self-Govt. and of giving them control of Public Works within their area. But the majority are content to differentiate the technical execution of work from administrative control: and while they would leave the latter with the Board, the former must, they consider, in the interests of economy, be entrusted to the most qualified staff. The Committee feel that it would be unsafe to entrust the main communications of the Province in particular to the District Boards and their staffs.

(ii) The Committee concurred in the proposal of Mr. Montgomery that in principle annual repairs of departmental buildings other than residential should be effected by the departments concerned. They have consulted the various Heads of Departments who are generally agreed that a saving of 20 per cent. on current estimates could be effected and that the proposal would be welcomed by the officers in charge *e.g.*, School Masters, Tahsildars, etc., who would be allowed to arrange for the petty repairs of such buildings. At present there is considerable waste of time and money in the preparation of estimates and in the maintenance of minor officials employed for the supervision and execution of petty repairs in outlying areas.

(iii) The Committee find that the Chief Engineer has already anticipated a suggestion that was put forward for consideration, viz, that expenditure on the maintenance of road be reduced. Orders have been passed that—

(1) In future miles which under the table of repairs are due for repair but could still last one year longer are not to be renewed ;

(2) Public Works Department Road Bungalows where no longer necessary are to be disposed of ;

(3) Unnecessary width of lands adjoining roads is to be sold.

#### ANTICIPATED SAVING—RS. 7,00,000.

The Chief Engineer was unable to state exactly the saving which would result from the issue of the above orders. The Committee recommend that the budget grant for repairs of roads, metalled and unmetalled, be reduced by 20 per cent.

#### ANTICIPATED SAVING—RS. 3,00,000

The Committee also recommend that instructions be issued to the Communications Board that the mileage of metalled roads in the Province should not be increased except in so far as is necessary to complete the metalling of roads which have already been put in hand or the metalling of which is necessary for special reasons, as, for instance, colonisation. The annual grant to the Communications Board can thus be reduced by 3 lakhs.

(iv) The Committee discussed the question of abolishing the post of Consulting Architect to Government. They recommend that this post be absorbed in the general cadre of the Public Works Department, being graded as that of Superintending Engineer. The Committee understand that the Assistant Consulting Architect is on a five years' contract only, and they are of opinion that the question of the renewal of his contract at the time of its expiry should be carefully considered. The Committee also recommend

that fees be charged from municipalities and district boards for the services of the Architect.

#### BUDGET HEAD 46—STATIONERY AND PRINTING

ANTICIPATED SAVING—Rs. 1,54,000

(1) The Committee consider that the gross budget estimate of Stationery should be reduced by 25 per cent. the distribution of the reduction over districts to be worked out by Government.

ANTICIPATED SAVING—Rs. 13,000

(2) They are of opinion that the Urdu Gazette should be abolished.

(3) They are agreed that the maintenance of a Government Press is essential, but they recommend that a small Secretariat Committee be appointed to consider whether any further economy can be effected in the working of the Press.

#### BUDGET HEAD 55—IRRIGATION

(i) The Committee were convinced by the statement of the Chief Engineer that the necessity of finding staff for the Sutlej Valley and other projects which are now occupying them is such that the maximum reduction possible in the cadre has already been made. As regards the subordinate staff, *pari passu* with the appearance of the voluntric system, which the Irrigation Branch are prepared to introduce on demand, the Canal Patwaris will disappear. Further, if effect is given to the recommendations of this Committee on the revenue staff of the Canal Department will be amalgamated with the District staff to the extent to which the experiment is approved, and ultimately very considerable saving should result.

(ii) As regards the expenses of maintenance, having regard to the reductions already made by Council, the Committee find themselves unable to suggest any further retrenchment. Less money spent this year would involve heavier spendings hereafter.

### PART III.

The net retrenchments proposed, the financial effect of which the Committee are able very roughly to estimate, amount approximately to thirty seven and a quarter lakhs. The saving which will eventually result, if the proposals in Appendix IV. also are adopted, may be expected to bring this sum up to at least one-half crore. These retrenchments have been arrived at by the detailed scrutiny of the budget chapter by chapter, and if the result is not sufficient

in itself to meet the difficulties of provincial finance, a review of the budget as a whole will serve to show the reason.

Of a gross budget expenditure of Rs. 12,28,65,430 no less a sum than Rs. 1,05,47,000 is allocated to Education : Rs. 1,28,96,500 to Public Works (including Rs. 1,18,31,000 to Irrigation): 1,14,85,982 to Police : Rs. 1,75,00,000 contribution to the Central Government : Rs. 45,00,000 Tour charges, leaving a comparatively small residue for general administration. If any really large cuts are to be made, they must be made from these, the heads of heaviest expenditure. But in none of these directions do the Committee feel justified in making recommendations more drastic than those incorporated in this report. Increased lawlessness, which is an inevitable aftermath of the war, has necessitated the strengthening of the Police, and the odium which non co-operators have endeavoured to cast upon this body of Government servants must result in making the service still more expensive. As amenities decrease, monetary compensation must increase.

Even though their present high standard of efficiency may be reduced, nevertheless, communications must be maintained, or the economic life of the Province would be throttled: the construction of new buildings is already severely restricted, but the Province must have its Council Chamber and its Courts. The increased demand for Education is one of the most striking features of progressive India, and no responsible Council would venture to curtail the general programme, or do more than insist on getting, as this Committee is satisfied the Province is getting, the best value for its money.

2. The appointment of Provincial Retrenchment Committees has followed the Gaddes Committee. But whereas the effect of the war in England was enormously to expand the administrative machine, in India the exact contrary was the case. In order to economise man power, posts were laid in abeyance or reduced; in order to provide the sinews of war to the Army, Civil Departments were starved. If there was lavishness in England, economy in India was the order of the day: and all expenditure was scrutinized and pruned till, at the time when the present Committee were appointed, there was in this Province little remaining to be cut.

3. Moreover, it must be recognized that a democratic form of Government is not and can never be a cheap form of Government. We may go even further and say, in the words of a British historian of the nineteenth century, that "a progressive community as yet grossly ill-supplied with those services which must in the modern world be rendered by the Central and Local authorities would

obtain less benefit from reducing the public burdens than from adjusting them fairly and spending them to the general advantage."

(Signed) C. M. KING  
E. R. ABBOTT  
H. D. CRAIK  
D. J. BOYD  
MILES IRVING

MUHD. SHAH NAWAZ  
† MANOHAR LAL  
† DASAUNDHA SINGH  
‡ NARENDRA NATH  
§ GANPAT RAI  
\*\* MUHARRAM ALI CHISHTI  
§ S. MUHD. HUSSAIN

## THE MINORITY REPORT

The Retrenchment Committee appointed by His Excellency the Governor, though it took longer time than similar committees appointed by other provinces, has not proceeded upon the lines adopted by these latter provinces. It did not record any evidence, and it did not avail itself of the expert opinion to curtail the ever-increasing expenditure which is sucking the life-blood of the

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\*\* I cannot agree that the Urdu Gazette should be abolished. It appears to me both necessary and proper that the Vernacular Gazette be retained for publication in vernacular of Bills, Acts, Regulations, Government Notifications and official notices.

(Signed.) MUHARRAM ALI CHISHTI.

† Subject to a separate note.

‡ Subject to a separate note.

§ Subject to the Minority Report (as follows).

The idea of the retrenchment in official mind might have arisen from the Gaides Committee, but public in this country has cried hoarse for a quarter of a century over the high royal scale of pay that has been maintained for over a quarter of a century quite unrelated to the economic conditions of this province; and it reached, from whatever causes, the breaking point of landing the province in a recurring deficit of 128 lakhs according to the statement of the Hon'ble the Finance Member.

When bankruptcy is not facing the administration, but has actually accrued, it will be merely insane to talk that the administration is run on cheap lines and that economy has been the rule.

(Signed.) SAIYAD MUHAMMAD HUSSAIN.

(Signed.) GANPAT RAI.

Democratic Government, no doubt, has its own demands on the public purse, but such demands have not yet been met to any appreciable extent. No doubt introduction of a form of Democratic Government Institution faces the administration with possible and probable larger demands on the finances of the Province which to a wise administration should afford the opportunity of overhauling the past so that the future may not bring about a calamity.

(Signed.) SAIYAD MUHAMMAD HUSSAIN.

(Signed.) GANPAT RAI.

province. It co-opted the Heads of Departments to assist in the work of reduction. Unfortunately, most of them did not see their way to recommend much retrenchment in their departments, and consequently the retrenchment suggested by the majority report is only a drop in the ocean.

Efficiency is the pet argument of officials. We admit that in cutting the expenditure some sort of inconvenience, even inefficiency, will be experienced in the beginning, but how can we pull on with such a costly machinery, when the province cannot afford to pay a pice more, when all its resources are already tapped, when its poor peasantry and other poor tax-payers are groaning under heavy taxation and any attempt to burden them with fresh taxation will mean their total destruction and thereby loss to the Government.

Keeping in view these things and agreeing with the Majority Report to the extent of their reductions we have ventured to propose our recommendations which, if accepted by the Government, will attain the object aimed at by that great friend of the Province, Sir John Maynard, the Hon. Finance Member, i.e., reduction of a crore of rupees in the public expenditure of the province.

We sub-join a statement which will show what in our judgment can be done in the way of economy without disturbing the efficiency of the administration and the vested rights of the employees. After preparing the statement we were ourselves astonished at our moderation. All Civil Services in our opinion receive excessive salaries due no doubt to the employment of a large number of Europeans and to the fixing of the salaries of Indian officers on the same scale to avoid false notions of racial inequality. We have not intentionally in our statement touched this sore point. The time should not be long before several services are Indianised in which case the scale of salaries would be rearranged in accordance with Indian values to the great relief of the tax-payer. In our statement we have recommended the decrease in the salaries of officers who in our opinion are drawing excessive emoluments which do not fairly compare with the poor finances of the province or with similar appointments held in other rich countries. We realise that it is not in the power of the Punjab Government to accept all our proposals, and some of them may require the approval and sanction of the Government of India, the Secretary of State, and perhaps of Parliament. But we entertain fervent hopes that if we can persuade the Punjab Government to forward our proposals with its strong recommendation to higher authorities, our proposals are sure to receive serious consideration and ultimately be sanctioned. But those of our proposals which are in the power of the Punjab Govt.



to sanction, we pray, may be given effect to immediately to give relief to the poor population of the province from further taxation.

Our proposals should not be viewed as emanating from those who wish to obstruct the work of administration, rather they are the outcome of the close study of the budget and follow those essential and elementary principles of economy, namely, (1) that the tax-payer shall not be asked to find more money than is really needed, and (2) that there shall be no waste in the expenditure, though this latter object is most important but most difficult of attainment.

### Note by Dewan Bahadur Raja Narendra Nath.

*Budget-head Land Revenue.*—(1) The enlargement of "Patwari Circles" need not be confined to the new Colonies where Kilabandi exists. It is true that the size of the "Patwari Circle" is in almost all cases determined by the extent of the area which it is possible for a Patwari to inspect efficiently at the time of Girdawari : but Girdawari work need not be allowed to be the sole determining factor. I would suggest the allotment of certain sums yearly for each district to be spent on employing temporary Patwaris for the work of Girdawari. The register of Patwari candidates to every district contains a large number of qualified candidates. Girdawari is the simplest and the easiest of a Patwari's duties. In order to keep the permanent Patwari in touch with the condition of crops in his circle he may be required to do alternately with his assistant the Girdawari of half of his circle. In this way the number of Patwaris required in a district will depend not on the quantity of work in one month but on work in the whole year. This change coupled with the introduction of 8 yearly Jamabandis will bring about a large reduction in the number of Patwaris and field Kanangos not only in Colony areas but in the greater part of the Punjab.

(2) *Amalgamation of Canal revenue staff with the District revenue staff.*—Changes by way of experiment only are very disagreeable to officials accustomed to work in a certain groove. There is, therefore, considerable force in the contention of the dissentient minority that we should not wait for the experimental stage and should order the change at once. On the other hand, I fully appreciate the apprehension of the majority of the members that practical experience may disclose difficulties which we are unable to foresee. Whilst therefore confining the experiment to one system of Canal only I would make the Commissioner of the division responsible for seeing that the experiment is given the fullest chance of success.

*Budget-head 8—Forests.*—The recommendations of the dissentient minority are too vague and indefinite. The charge that the department is the most wasteful one is not substantiated. The explanation given by the Conservator of Forests that the expenditure shown in the budget does not discriminate between capital and revenue items must be accepted for the present, and the department should be given the chance of proving that expenditure and income are maintained at the ratio of 7:10, but it seems to me to be necessary to take a historical survey of the manner in which the forest staff, superior and subordinate, has been increased within the last 30 years. The first experiment in colonization on a large scale in the Punjab dates from 1892. Colonization implies disafforestation. There are a few questions which I would like to be answered before we arrive at the conclusion that no reduction in staff is necessary. These questions are the following :—

(1) What was the area under forests with which the department dealt in 1892 and what is the area now ?

(2) What increase in staff has taken place since 1892 ?

(3) Is it possible to subordinate, to economy the considerations which have from time to time led to the increase of staff since 1892 ?

Though I was not present at the time when the subject of forests was discussed by the Retrenchment Committee, it would not have been possible to undertake the historic survey which involved an examination of past records within the short space of time allotted to the sittings of the Committee. The line of enquiry which I suggest falls under part I, paragraph (4) of the report.

*Budget head 22—General Administration.*—(1) I should like to have an enquiry to ascertain what the system in Madras is where no Commissioners are kept, whether that system is more economic than the Punjab one. If it is more economic, I would propose the abolition of all Commissioners.

2. I am against the introduction of fixed salaries of Public Prosecutors. They will do less work than they do now. They will ask for the employment of temporary assistants on fees or allow a large number of cases to go without legal assistance. The change would not eventually result in economy.

I would reduce to 3 months the period of exodus to the hills.

*Budget head—Police.*—The political unrest in the Punjab has been somewhat acute from 1915, but within 25 years preceding 1915 considerable increase in the staff of the Police was made. There was a time in the Punjab when Deputy Superintendents were unknown and the number of Inspectors was much smaller than

it is now or than it was in 1915. If I remember aright, 20 years ago there were only two Deputy Inspectors General. There are now three, doing general work besides the C. I. D. branch. The question is, apart from the present political conditions, whether the increase in the Police staff which was made up to 1915 can be reduced, whether the standard of efficiency insisted upon before 1915 can be sacrificed to economy. A historical survey of the manner in which the staff was increased is needed in the Police Department also. Before political unrest began in the Punjab, was the increase in staff conducive to better detection of crime and more effective supervision of subordinates? Most of the districts have Deputy Superintendents of Police now. There was no Deputy Superintendents in the following districts at the time when I served in them :— (1) Gurdaspur, (2) Montgomery, (3) Jhelum, (4) Rawalpindi, (5) Ferozepore, (6) Muzaffargarh, (7) Gujranwala, (8) Gujrat, (9) Jullundur. There are now Deputy Superintendents in most of them, if not in all. As in the case of the individual so in the case of the state, wealth stimulates a desire to increase the number of servants on the score of efficiency. But when penury follows upon opulence the reverse process ought to take place. I, therefore, propose that each step in the increase of staff before political unrest began should be carefully scrutinised, and the staff that is not absolutely essential should be dispensed with. It is I think possible to reduce the number of Deputy Inspectors-General by one and to dispense with either the Inspectors or the Deputy Superintendents of Police in most cases.

*Budget head—Civil Works*—I agree with the dissentient minority so far that civil reserve for minor and major works should be kept at as low a figure as possible and the erection of a clock tower to King Edward Medical College, Lahore, should be indefinitely postponed. I do not agree with the Committee that the budget grant for roads, metalled and unmetalled, should be reduced by 20 per cent. or that the mileage of metalled roads should be decreased. I do not advocate the reduction by 3 lakhs of the annual grant to Communications to develop the country and to lighten the burden of existing taxation. It has its economic and educative value. Expenditure on improvement of communications is as necessary as on schools.

The 30th November 1922. (Sd.) NARENDRA NATH.

### Note by Mr Manohar Lal

1. The Committee was revived after a long period of torpor in June last when it began its sessions under the chairmanship of Mr. C. M. King. But even then it approached its task on an extremely incomplete view of our financial position. The position as explained to the Committee so recently as June 1922 was that a gap somewhere between sixty and seventy lakhs existed between our provincial income and expenditure, and it was this which the Committee started out to face. The position in this regard continued unaltered right through the Committee's deliberations at Simla up to the end of September, and it was only when the Committee's work was to all intents and purposes finished at Simla, and we came to the drafting stage at Lahore that during the Council Session of November last it transpired that the real normal deficit is over one hundred and twenty lakhs, and even this does not represent the possible effects of inevitable normal increases to expenditure, such *e. g.* as *inter alia* would be necessitated by the annual growth in the number of scholars at schools, and by our commitments in the matter of accepted annual grade enhancements of salaries.

The result of this incomplete view of our financial deterioration on the deliberations of the Committee requires no elaboration. The proposals of retrenchment under these conditions would not be pressed with the same unrelenting vigour as they would be if the gap had been realized of being a crore and a quarter. Quite a considerable number of the members, of course exclusively official members, faced the task as if no real occasion existed for retrenchment. To them it probably appeared that we were suffering from a merely temporary malaise and the restoration to normal figures of our revenue which had in some directions suffered from the non-co-operation propaganda, *e. g.*, in the matter of excise, will bring about equilibrium and as for the rest we might safely rely on normal expansions of revenue.

A gap of 60 or 70 lakhs could easily be filled up, even apart from the restoration of excise revenue to pre-non-co-operation activity, by some economy and a little additional taxation such as the Council in its last session adopted (though it is at any rate problematical whether the Council would have done so if the real gap were only about sixty lakhs.)

In one word, in my opinion, our Committee's work suffers from this serious initial defect, and the value of our recommendations are in consequence lacking in value as indices of maximum possible and desirable economies for a province so situated as ours. I may here parenthetically observe that our normal deficit is more than

twice and a half as heavy as that of any Province in India—*vide* figures in the Secretary of State's recent despatch, dated 9th November, on Provincial deficits—while the Province is far from the richest in India and we have to depend more largely than other major provinces on agriculture alone for our livelihood and prosperity. With the problem of retrenchment faced by us on such an incomplete and misleading view of facts, I would not be surprised that our rural members who predominate in the Council, and who represent an industry that furnishes directly or indirectly about three-fourths of revenue, refuse to accept these recommendations as of conclusive value when they are approached with a demand to endorse a further burden on agricultural expenses by way of an occupier's rent.

To the report itself I have to say this :—

(1) The largest economy is obviously likely in the Public Works Department. I am not satisfied that we examined with adequate attention possible retrenchments in this. This becomes apparent from our conclusions. We never were given actual figures of certain suggestions placed before us by Mr. Montgomery and on the broad issues of policy we had but a desultory discussion, bound up by a certain amount of red-tapism, no official member round the table being prepared or willing to state what the Government's present position is regarding the report of the Sly Committee, particularly in view of our serious financial embarrassment. The Government, in my opinion, should examine the matter closely and apply the axe vigorously to this Department.

2. I would support an experiment on a much larger scale than the majority of the Committee is proposing for the amalgamation of Canal and Revenue Patwaris etc. In my opinion as clear a case has been made out for this as ever can be demonstrated outside a chemical laboratory. This opinion of the highest officials is emphatically indicated in old correspondence and non-official Members of the Committee were also unhesitatingly of the same view. We ought to carry out the experiment, if so it must be called, on at least say a third of our total canal area; so that it would be imperatively necessary to see that success is attained and no tinkering allowed.

3. I would emphasise with our friends of the minority report that rigorous economy in the way of travelling and other allowances is desirable.

4. I went into with some care the position of our Forest revenue and expenditure. Mr. Gibson had very full statements

available for our inspection, and he has now furnished a standard which if attained should be satisfactory. In the past, however, it cannot be said that the forests have been a source of any genuine net revenue when we take into view the large expenditure annually incurred; and the Government should see that Mr. Gibson's present standard of ten units of income against seven units of expenditure is fully realised.

I have only to add that there was a tendency, at the later stages of our deliberations, to avoid touching upon broad questions of policy so far as the Services are concerned. This was due to the opinion of the Government communicated informally to us by the Chief Secretary that such questions lay outside the scope of our reference. Personally I have little doubt that if we have to make the two ends meet, we must, however anxiously, approach this possible branch of economy at no distant date, and scan carefully the limit to which we can afford certain classes of high paid services. Even efficiency can be bought too dearly if there are no further sources of revenue which a Province can tap or discover.

## SUMMARY OF RECOMMENDATIONS

### Majority Recommendations.

The financial effect of the recommendations are estimated as under :—

5. Land Revenue.—That, except in two or three districts where special necessity is proved, the post of Reader to Deputy Commissioner be abolished. Saving Rs. 12,300.

22. General Administration.—That the Financial Commissioner be made a Secretary to Government and undertake a part of those duties which the Revenue Secretary now performs and that one post of Secretary to Government be abolished. Saving Rs. 31,600.

22. That the number of Commissioners be reduced from five to three—Saving Rs. 1,52,000.

22. That the emoluments of Public Prosecutors be reduced by Rs. 50,000.

22. That the posts of Council Secretaries be abolished. Saving Rs. 8,000.

22. That the budget allotment for travelling allowance be reduced by one-third. Saving Rs. 15,00,000.

30. Scientific Departments.—That it is not necessary to fix the pay of Clinical Assistants to the Professors of the Lahore Medical College at a higher rate than that of Assistant Surgeons, "plus" the usual Lahore allowance of Rs. 150 per mensem. Saving Rs. 50,000.

31. Education.—That expenditure on Education be curtailed during the existing financial stringency (vide detail in the report). Saving Rs. 2,31,000.

33. Public Health.—That the budget allotment under the head "Public Health" be curtailed. Saving Rs. 60,000.

34. Agriculture.—That Government cease to be responsible for any expenditure on Demonstration Agricultural Farms.—Saving Rs. 8,150.

35. Industries.—The "Industries Bulletin" be discontinued, saving Rs. 10,000.

41. Civil Works.—That annual repairs of departmental buildings other than residential be effected by the departments concerned. Saving Rs. 2,20,000.

41. Civil Works.—That budget grants for repairs to roads be reduced by 20 per cent. Saving Rs. 7,00,000.

41. Civil Works.—That reserve of unforeseen charges and major works be excluded from the Public Works Department Budget. Saving Rs. 1,50,000.

41. Civil Works.—That the grants to the Communications Board be reduced by Rs. 8,00,000. Saving Rs. 8,00,000.

41. Civil Works.—That immediate effect be given to the proposals of Sir Ganga Ram, Member of the Sby Committee, for the amalgamation of Public Works Department and District Board Staff. Saving Rs. 72,000.

46. Stationery and Printing.—That the budget allotment for Stationery and Printing be reduced by 25 per cent. Saving Rs. 1,54,000. That the Urdu Gazette be abolished. Saving Rs. 18,600.

*Total saving Rs. 37,27,250.*

*The following is a summary of the recommendations, the financial effect of which cannot be estimated :—*

5. Land Revenue.—That an experiment be attempted on a unit of area not less than one Rajbah, whereby all the canal staff be under the Collector, and the canal staff will be responsible for the maintenance of the canal and for the maintenance of the stipulated head of water at outlets.

5. Land Revenue.—That the average size of Patwari circles can usually be increased in area such as new colony areas where killabandi exists and tenures are simple. Similarly, it may be found possible to substitute 8-yearly for 4-yearly Jamabandis in such areas. That copyists in district offices be entertained as Government servants on time-scale.

7. Stamps.—That commission on sales of stamp should be reduced, especially in the case of Court-fee Stamps. Government should enquire into the proposal that in future no commission on sales of stamps be paid to Treasurers or Agents provided no other license for vend be given within half mile of Government Treasuries or Sub-Treasuries.

22. General Administration.—That if it be a fact that the Indian Civil Service no longer attracts Englishmen from England and the service is becoming rapidly Indianised and may become so completely in a short time, it seems unnecessary to continue a rate of salary for Indians entering the service that was intended to attract Englishmen from abroad, and it would seem that the appropriate scale would be about two-thirds the present scale.

22. General Administration.—In future non-official Sub-Registrars should not be appointed except in a very few tahsils and district headquarters in which the registration work cannot be done by official agency. That all allowances now classed as special pay and compensatory allowance other than travelling allowance be closely scrutinized by Government with a view to ascertaining whether the allowance is strictly justified.

28. Administration of Justice.—That a considerable amount of saving might be effected by restricting the number of holidays allowed to Civil Courts to the general holidays allowed for all public officers. The Committee are also of opinion that Civil Judicial officers should have no vacation in September.

35. Industries.—That the gross expenditure of the Fisheries Department should not exceed Rs. 45,000; licence fees should be raised from Rs. 8 to Rs. 6.

41. Civil Works.—That in order to facilitate recourse being had to the expedient devised by the majority of the Sby committee, in future Government Engineers should be engaged on condition that their services would be subject to transfer to District Boards if necessary. The Consulting Architect should be absorbed in the general cadre of the Public Works Department, Roads and Buildings Branch, as a Superintending Engineer.

The abolition of the post of Assistant Consulting Architect should be considered on the expiry of the existing contract. Municipalities and district boards should be charged for the services of the Consulting Architect.

47. Miscellaneous.—Pressure should be continued by the Local Government on district officers to use stamps economically.

### Minority Recommendations.

*The following is a summary of the recommendations of the minority report, the explanations appended to them, together with the reductions.—*

5 B—Land revenue—reduction Rs. 15,000. The work of Settlement officers has now been simplified and they have also the advantage of spending two months in the hills every year. As regards Extra Assistant Settlement officers the post is always attractive to Provincial Service for the improvement of their future prospects.

The principle of allowances for substantive appointments is "ab initio" wrong. These allowances must now be abolished all along the line.

5-C—Land Revenue and 15-Irrigation.—Reduction Rs. 19,00,000. The amalgamation of the Canal Revenue Department (Deputy Collectors, Zilladars, Munshis and Patwaris, etc.) with ordinary Revenue Department is a question which has been drawing the attention of Government and public for some time. Besides giving relief to the Canal Engineering staff of the extra revenue duties which they cannot perform without sacrificing their more important technical work and saving the Zamindar public from double exactions and nuisance, the amalgamation proposed will do away with a considerable amount of overlapping with improved efficiency and revenue. The amalgamation of these two branches (Deputy Collectors with Tahsildars, Zilladar with Qanungos and Naib tehsildars and (Canal with Revenue Patwaris) and bringing them under the direct control of Collectors will effect a saving of no less than 33 per cent. in both the Departments.

8. Forest.—Reduction Rs. 30,00,000. This is the most wasteful department of this province. Instead of bringing in the value of the timber which the present generation has inherited from past, it is being eaten up by the Forest Department. We recommend that the establishment from top to bottom be reduced both in number, say, 40 per cent. and in salaries, say, also by 40 per cent. The fanciful roads, rest-houses and other amenities for the Forest Officers be abolished once for all. The sale of timber should be at once placed under a board of management on which the Legislative Council should be represented. Recent transactions in connection with Talwara (the disposal of the forest timber to one man) justify the above opinion. If really the department is reduced to a commercial undertaking, income would certainly appreciate, say 25 per cent, and expense will go down by, say, 40 per cent., thus assuring to the Govt. at the present scale an excess of say 30 lakhs a year.

41. Civil Works Establishment, Tools etc.—Proposed reduction Rs. 16,00,000. At present Civil Engineering Work is being done by trained experts in three different departments—Local bodies, Public Works Department Buildings and Roads and Irrigation. By judicious amalgamation of these three activities a considerable saving would be possible. The Public Works Department Buildings and Roads held an intermediate position as regards expenses and strength in these three activities. And one may assume without much labour that savings to the extent of expenses in the middle department may be effected to the extent of fifteen to sixteen lakhs. If amalgamation is not accepted, the public and Legislative Council would at once agitate and vote for the complete abolition of the Buildings and Roads Branch. Buildings and



Engineering activities of the Irrigation Branch be at once made a transferred subject and supervising charge and control further transferred to local bodies as early as can be arranged.

**Travelling Allowances of the province.—Reduction Rs. 18,00,000.—**Considerable amount of money is now being spent and wasted on travelling allowance. Most of the officers do unnecessary journeys. Rules should be so reframed as to reduce the expenditure under this head by 40 per cent.

**22. General Administration (Commissioners and their establishment).—Reduction Rs. 8,80,000.** The post of Commissioner does not exist in Madras and has been recommended for total abolition by some other Retrenchment Committee. It serves no actual purpose to justify its existence. In the presence of two Financial Commissioners their appellate work may be easily handed over to them and other work may be delegated to and distributed between the Deputy Commissioners and Revenue Assistants without in the least sacrificing efficiency on the altar of economy. The advice work to Deputy Commissioners may be done by the Members and Secretaries of the Govt.

**24 B. Administration of Justice (Law Officers).—Reduction Rs. 1,00,000.** The Legal Membrancer agreed to the proposal that fifty thousand rupees could be easily curtailed from the expenditure. We propose a further reduction of another fifty thousand rupees. Our reasons are—firstly, the pay of Public Prosecutors along with their travelling allowance was considerably enhanced last year notwithstanding the great opposition in the Council; secondly, there was no justification for doing so. This and other increase should be withdrawn and the Budget reduced to original estimates of 1921-22.

**24. Abolition of vacation and shortening of holidays of Civil Subordinate Courts.—Reduction 2,00,000.** The Retrenchment Committee have agreed to recommend the abolition of vacations of subordinate courts and the shortening of holidays. Reduction of about 2 lakhs is probable.

**Compensation for dearness of food.—Reduction Rs. 5,31,000.—**The prices have considerably improved and necessity for this allowance has disappeared. Effect to this recommendation should be given at once.

**Repairs to civil buildings—Reductions Rs. 2,20,000:—**

We agree with the recommendations of the Committee that a saving of 20 per cent. could be effected on current estimates for repairs but we go one step further and say that 20 per cent saving all around is possible in all the expenditure incurred on repairs.

**Total Communications, i.e., repairs to roads, etc, Reduction.—**Rs 6,96,200. The heavy sum Rs. 84,81,000 is being spent lavishly by the Public Works Department, roads and buildings, on the repair and upkeep of metalled and unmetalled roads and it also includes expenses on Arboriculture. The net result of a reduction of 20 per cent on the principle adopted by the Retrenchment Committee as regards the repair of buildings will be a saving of about seven lakhs without in the least doing any harm to the roads of the province.

**41. Civil Works Maternity Hospital—Reduction 1,76,000.** The province cannot afford to build such a costly institution in the present financial stringency. We can as well wait for another two years or so.

**41. Civil Works—Clock Tower to King Edward Medical College, Lahore, Reduction 15,000—**This is an extravagance, which should be stopped.

**41. Civil Reserve for Major Works—Education 50,000.** The reserve can be easily reduced to half.

Civil Reserve for unforeseen requirements. Reduction 20,000.

Civil Works Reserve for Major Works. Reduction 50,000.

Grant to Communications Board—Saving 8,00,000—A lump reduction of Rs. 8,00,000 from the Communications Board's grant has been unanimously agreed to by the Retrenchment Committee.

24. Administration of Justice—Pay of the Honourable Judges. Reduction 60,000—The vacation of the High Court be reduced by one month, and the pay of the Judges be reduced to old Chief Court scale as there are no special reasons to give enhanced salaries on the creation of a High Court.

Police.—Reduction Rs. 7,00,000 We are alive to the fact that any drastic reduction in the heavy, ever increasing expenditure on the police may lead to insecurity; but all the same we are convinced that 4-5 of the total strength of Inspectors may be reduced. Also the post of Deputy Inspector-General with their staff may be abolished. Our reasons are—(1) In the officers' line there are Sub-Inspectors, Deputy Superintendents, and Assistant Superintendents of Police. Work is therefore duplicated and in some cases triplicated without any beneficial effect to the State or the public. Therefore at least one series of officers, preferably Inspectors, should be abolished; (2) Deputy Inspectors-General are only intermediates between Inspector-General and Superintendents. Their posts may be brought under reduction and a Senior Superintendent be appointed as an additional Personal Assistant to the Inspector-General, (3) Rank and file should be also reduced say, by 10 per cent. including men employed on ceremonial works and obsolete duties. The reduction will be about seven lakhs.

25. Jail.—Reduction 11,00,000—Divergence between the income and expenses is appalling. The average number of inmates is between 14 to 15 thousand souls. The income budgeted is 5 lakhs. This works out to about two annas per head including the income from gardens and other sources, and expenses are Rs. 19.51,000, which is six times per head the income. The situation is absurd. Expenses could be reduced say by 20 per cent. and income could easily be increased by 100 per cent., thus effecting a saving of 11 lakhs.

Reduction in the pay of Government Members & Ministers.—Reduction 48,000—Our recommendation compares favourably with the pay of the Ministers of other countries, the province cannot afford to pay more.

Exodus to Simla...Reduction 1,50,000—With the exception of His Excellency the Governor all exodus to Simla be stopped. The shifting of officers to Simla causes waste of money and time both to officers and the public.

47. Miscellaneous Reward for language—Reduction 8,000—When the Province was first annexed these allowances may have been necessary for British officers but they should be stopped now.

48. Stationery. Reduction 1,54,000.—The Retrenchment Committee recommend the reduction of Rs. 1 54 000 in stationery unanimously.

51. Education. Reduction 2 31 000—This is the anticipated saving if the recommendations of the D. P. I. are given effect to by Govt. immediately.

52. Medical. Reduction Rs. 1 20 000.—The saving has been agreed to by the Inspector-General of Hospitals.

53. Public Health. Reduction Rs. 66,500 agreed to by the Head of the Dept.

55. Industries. Reduction Rs. 20,000. The same as in the Majority Report.

54. Agriculture.—Reduction Rs. 50 000. It is more to the interest of the agricultural classes not to saddle them with fresh taxation than to grant them experimental farms. A reduction of one of the farms will not affect seriously the agriculture of the province. They have experience of thousands of years at their back; what they require most urgently is a little relaxation in taxation,

**Sub-Divisional and Local Allowances—Reduction Rs. 15,00.** The principle of allowances is ab initio wrong, they must be abolished at once.

**Assistant Secretary to the Financial Commissioners.—Reduction Rs. 7,800.** This post may be abolished and work may be done by the various Superintendents, and the more important by the Chief or Senior Superintendent.

**Officer of Special duty.—Reduction Rs. 21 960.** Keeping in view the deficit Budget this superfluous post may be abolished at once.

**Assistant Secretaries to the Punjab Government.—Reduction Rs. 9,600.** One Assistant Secretary may be reduced.

**Secretaries to Punjab Government.—Reduction Rs. 68,000.** It was unanimously proposed and recommended by the Retrenchment Committee that the reduction of two out of five Secretaries was feasible.

**Secretary, Legislative Council — Education Rs. 1 000...** The Secretary of the Legislative Council has resigned. His work may be under-taken by the Assistant Secretary and the Interpreter and the money spent on translation work for the Council can be easily saved.

**Council Secretaries.—Reduction Rs. 8,000.**

**9. (Registration).—Reduction Rs. 60 000.** Immediate effort be given to the recommendations of the Retrenchment Committee by retiring old men: by abolition of places where work is small and can be easily done by the Tahsil Staff where income is less than the expenses; and by the efflux of time.

**38. 7—Stamp.—Reduction Rs. 17 800.** Recommended by the Retrenchment Committee.

**6. Excise (pay of Distillery Experts).—Reduction Rs. 10 200.** Post is not a necessary one and must be brought under reduction at once:

**Contingencies (cost of survey marks).—Reduction Rs. 31 000.** So much expense can be easily reduced if effort is made to have them done cheaper. Prices have depreciated all round.

Considerable reduction can be effected in the amount shown on leave and salary allowances, purchase of tents, writing judgments in vernacular and thereby reducing the expenditure on translation, by reducing the number of stenographers to executive officers, annual reports and many other ways too innumerable to detail.

Great amount of saving can also be effected by a careful scrutiny and a close check of the constructions of the new canals where crores of rupees are spent annually without the supervision of the finance committee.

The Civil works absorb about a crore of rupees annually, and there is considerable scope for economy if we are satisfied with less luxurious buildings keeping in view the fact that if we spent lavishly it will fall upon the poor population of the province in the form of taxation.

## REPORT OF THE C. P. Retrenchment Committee

The Central Provinces Retrenchment Committee was appointed in August 1922. It presented its report in November 1922 containing recommendations relating to all departments of Government activity. The revenue of the province in the normal year is taken to be about Rs. 438 lakhs and the expenditure about Rs. 558 lakhs. The Committee proposed to cut short expenditure thus : by adjustment Rs. 26 lakhs, by curtailment of activities Rs. 5 lakhs, by savings on establishment charges Rs. 1,066,000 and other savings Rs. 876,000. The contribution to the famine fund is to be reduced by Rs. 9 lakhs in the current year and by Rs. 6 lakhs in the normal budget and the financing of development projects by loans instead of from government revenue is expected to save an expenditure of about Rs. 20 lakhs. Curtailment in the activities of the Public Works Department recommended by the Committee is expected to effect a saving of Rs. 5 lakhs. The savings on establishment and other charges refer to some striking suggestions of the Committee. The Committee recommend that the All-India Services should be confined to the recruitment of Europeans in England, Indians, as far as possible, being recruited on a provincial basis. The post of the President of the Legislative Council should be made honorary, subject to the provision of an honorarium not exceeding Rs. 10,000 per annum, if necessity arises. The heads of Departments should be made Secretaries to Government, thereby saving the cost of separate office establishment in the Secretariat. The posts of Revenue Secretary and Under-Secretary in the Revenue Department are to be abolished and in the place of the existing five Divisional Commissioners, two Financial Commissioners are to be appointed who should work as the head of the Revenue and District Administrative Department and as Secretaries to Government in that Department. With regard to District administration the recommendations of the Committee contemplate the elimination of the Sub-Divisional Officer and the delegation to the Tahsildar of most of the powers now exercised by the Sub-Divisional Officer, reduction in the pay-scale of the Provincial Executive Service, and a decrease in the number of districts by six and the abolition of four Tahsils. With regard to the Forest Administration, the Post of Chief Conservator of

Forests is to be abolished and the administrative control of the Forest Department is to be vested in the Development Commissioner. In the Judicial Department the distinction between Munsiffs and Subordinate Judges is to be abolished and powers are to be conferred on members of the joint cadre according to their experience. The Committee recommend that the Provincial cadre of the Indian Civil Service, Judicial branch, should be reduced, two posts of High Court Judges and four posts of District and Sessions Judges being reserved for the Indian Civil Service, the remaining posts to be provincialised. The Inspector-General of Civil Hospitals should also discharge the duties of the Director of Public Health, the latter being given a Deputy for health work. The Committee recommend the abolition of the post of Director of Agriculture and suggest that the Development Commissioner should take over the administrative charge of the department and work as Secretary to Government in the Agricultural and other departments under him. The administrative control of the Co-operative department and the Industries department is to vest in the Development Commissioner and the departments are to be completely provincialised. It is also reported that two members of the Committee, Messrs. Slocock (President) and Dixit have suggested that the Indian Executive Councillorship should be abolished and that one of the Ministers might be appointed as Executive Councillor. The Inspector-General of Police and the Inspector-General of Prisons are to work as Secretaries to Government, and the latter is to get ordinary grade pay supplemented by a duty allowance. There is a suggestion to reduce the number of Police Inspectors by 25. The Committee propose to transfer the inspection of elementary vernacular schools to local bodies and to abolish the posts of Deputy Inspectors and they recommend to reduce the educational grants to local bodies to a sum not exceeding one half of their expenditure on education. The Committee also recommend that the Indian Educational Service should be completely provincialised. There are other recommendations relating to the reduction of staff of the P. W. D., in the expenditure under stationery, and in the several allowances given to officers. The total amount of retrenchment proposed by the Committee is approximately Rs. 84 lakhs and the reduction of Rs. 50 lakhs is to be immediately given effect to. The President proposed to increase the salary of the Governor of the Province so that it may be raised "to an equality with that of the Governors of other Provinces".

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Report of the  
**Railway Committees**



## ANNUAL REPORT OF THE Indian Railways Administration

The subject of Indian Railways, next to the great military burden of India, has for some time past been greatly exercising the Indian mind. The Administration Report of the Working of Railways in India during the year 1921-22 was issued on the 12th January 1923 with a retrospect of the financial difficulties experienced during the last few years as a result of the irregular annual allotments for expenditure. This feature was forcibly remarked upon in the Acworth Committee's report\* and during the period under review gave place to an important change in the complete separation of the Railways Budget from the general budget of the country and the emancipation of railway management from the control of the Finance Department of the Government of India. The Railway Finance Committee,\* however, recommended that the question of complete separation should be re-examined three years hence when it was hoped that conditions would be more normal and financial equilibrium re-established. The Railway Finance Committee at the same time recommended a five years programme of Rs. 150 crores and the Legislative Assembly accepted this recommendation. The Report states: "By this arrangement the railway administration has been placed for the first time in a position to plan ahead and carry out their schemes of improvement with full assurances of financial support. The difficulty in regard to fluctuating budgets and evils of the system of lapses was thus successfully surmounted so far as the capital is concerned but the same difficulty still remains in respect of revenue renewals. Measures have been initiated which will, it is hoped, provide a solution and it may confidently be hoped that we are now within measurable distance of surmounting this last great difficulty in our railway financial arrangements".

### FINANCIAL REVIEW

After this financial survey the report states that the total capital expenditure incurred on construction of all railways up to 31st March 1922 amounted to Rs. 656'06 crores of which Rs. 506'12 crores represented outlay charged to funds raised by the State. The outlay both under works and rolling stock fell short of that incurred during the previous year and this was due, it is stated, not to any deliberate slackening of the effort to recuperate but to the fact that the grant allotted was 23 crores against 24½ in the previous year.

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\* See I. A. R. 1922, Report Section.



The total gross earnings amounted to about Rs. 92.89 crores, the share of the Imperial Government in this being Rs. 81.87 crores. Payments on account of working expenses amounted to Rs. 65.67 crores. The net receipts were therefore sixteen crores, representing a return of Rs. 2.75 per cent on the total capital. Against this return various liabilities associated with borrowed capital and otherwise are taken into account. Traffic receipts from Government railways alone were eighty-one crores sixty-nine thousand and odd. The Government share of the surplus from subsidised railways was twenty-four lakhs and odd. Thus, while the total receipts were eighty-one crores ninety-four lakhs and odd, the total shares including working expenses, sinking funds, etc. came to ninety-one crores twenty-one lakhs thirty-one thousand and odd. The net loss was therefore nine crores twenty-seven lakhs thirty-thousand and five-hundred and one rupees. Thus, for the first time since 1900 railways had fallen from the status of an important source of revenue to the country and were responsible for the addition of a very heavy amount to the annual liability of government, but this was only a temporary phase similar to what was happening in every other part of the world.

#### THE N. W. RAILWAY.

The North Western Railway administration, says the report, "has the unenviable distinction of having contributed the largest individual amounts to the aggregate Government loss, and in assigning reason for this it is important to remember that it is this line alone which has to carry the burden of strategic lines covering a distance of one thousand seven hundred and seventy-four miles, but the proposal to put all railways now classified as strategic as military liability is in any case unjustifiable and the weight of argument seems decidedly in favour of the existing procedure."

#### THE EARNINGS.

As regard earnings which amounted to Rs. 81.87 crores, the report states that the year was favourable for internal trade but conditions were against the development of external transactions on which railways depended to a great extent for their long-load traffic. The number of passengers by first, second, and intermediate classes have declined compared with the previous year, while that by the third class shows small increase. In spite of fall in numbers the earnings from the first two classes, says the report, have risen while the yield from the intermediate and third classes has fallen compared with the previous year. From the figures it appears that the earnings from third class passengers amounted to twenty-eight crores forty-one lakhs eighty-three thousand, that from inter-class amounted to one

crore seventy lakhs eighty thousand, that from second class to 2 crores twenty-nine lakhs sixty three thousand, while income from first class was only one crore thirty-eight lakhs and forty seven thousand.

During the year under review there were strikes of more or less serious nature on five railway lines, namely, the Assam Bengal Railway, the East Indian Railway (on two occasions) the Great Indian Peninsular Railway, the Robilkand and Kumaon Railway and, in B. B. and C. I. Railway. From the evidence collected regarding the Assam Bengal Railway strikes,\* which were the most important strikes, the causes appeared to have been only remotely, if at all, connected with any actual grievances of the staff against the administration. The Government had now under consideration measures providing a medium for impartial consideration of the grievances of the staff and it is hoped that these and the pressure of public opinion may conduce to discourage the increasing tendency to this form of agitation which has formed such an unwelcome feature in the previous year's record.

One long chapter is devoted to rehabilitation and development and herein are recorded the progress that is being made in several railways, the main object being to complete lines which have been partially constructed.

The total number of persons who lost their lives as a result of accidents showed an increase from 3016 in the previous year to 3121 in the year under review. Most of the fatalities were due mainly to rush or negligent action of persons killed, only 227 having lost their lives as the result of circumstances beyond their control. The number of serious accidents to trains was 539 against 469 in the previous year. A serious feature is the occurrence of a number of accidents due to deliberate train-wrecking the perpetrators of which were not discovered.

**Goods Traffic**—Compared with the previous year the tonnage lifted in the year showed a decrease of over 1 million tons, but the earnings went up by Rs. 1½ crores. This apparent anomaly is explained by a fall in the quantity of commodities carried at cheap rates, principally coal, accompanied by increases in some of the better paying commodities. Other contributory causes were the increase of rates for coal carried for use by the public and the withdrawal of concession rates in some cases. The combined effect of these factors has been to increase the earnings in spite of a fall in tonnage lifted.

**Expenses.**—There was a further rise in the working expenses of railways in the year. The extent of the rise in recent years will be gathered from the percentages of expenses to earnings given below.

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\* For a full account of this, see I. A. B. 1922 Vol. I.

## ANNUAL REPORT OF THE

Year.	Percentage of expenses to gross earnings of all railways.		
1913-14	...	...	51'79
1914-15	...		54'19
1915-16	...		50'91
1916-17	...		47'26
1917-18	...		45'72
1918-19	...		48'45
1919-20	...		56'81
1920-21	...		65'54
1921-22	...		76'22

In the year immediately before the war the expenses were in the neighbourhood of 52 per cent. of earnings, while they have now reached 76 per cent., the increase over last year's proportion being no less than 10'68 per cent. This rise in the cost of working railways is not peculiar to India, but is nevertheless a matter of particular seriousness in this country where many lines were being worked on a narrow margin of profit even before this feature became so apparent.

**Staff.**—The total number of railway employees at the close of the year 1921-22 was 754,478 of which 6,858 were Europeans, 11,831 Anglo-Indians and 735,789 Indians. In view of the present demand for the more extended employment of Indians in the railway services, it is of interest to note that in the last ten years the number of Europeans employed has fallen from 7,850 to 6,858 and the number of Indians has risen by nearly 165,000. During the war, the number of Europeans decreased in 1918-19 to 6,702, a fall of about 1,200, and of these only about 250 appear to have rejoined in 1919-20 but the number has again shown a decrease.

**Past Results** :—In concluding this brief review of the financial position of railways in India, in 1921-22, the official Record says: "it is perhaps permissible, in view of the unfavourable result disclosed, to make some reference to the honourable position held by railways in the past amongst the principal sources of India's revenue. In the last 22 years, the net gain to Government from the working of railways has aggregated nearly 108 crores of rupees after paying all interest charges and in several cases contributing liberally towards the extinction of capital liability by payment of annuities. The fact that railways have demonstrated in the past in this very practical manner their capacity to add to the country's revenue should suffice as an ample assurance that the temporary set-back in 1921-22 is not due to any inherent cause, and that the old traditions will be resumed when trade and internal prosperity have recovered from the disorganisation which has followed in the wake of the war."

## REPORT OF THE Railway Industries Committee

The following is the report of the Committee of Members of the Indian Legislature appointed to consider what steps should be taken by the Government of India to encourage the establishment of the necessary industries so that as large an amount as possible of the Rs. 150 crores proposed to be set aside for the rehabilitation of the railways during the next five years be spent in India, and further, to advise the Government of India in regard to the revision of the Indian Stores Rules. (See p. 515). The Report which was issued in April 1923 says :—

In pursuance of a Resolution passed by the Legislative Assembly on the 13th September 1921, a Committee was appointed to consider certain matters arising from the report of the Railway Committee, 1921, namely :—

- (1) the separation of railway from general finance ; and
- (2) the requirements of railway in regard to capital expenditure during the next ten years.

With regard to its second term of reference, that Committee recommended that funds to the extent of Rs 150 crores should be devoted to railway capital purposes during the next five years. On the 2nd March 1922 the Legislative Assembly passed a Resolution in the following terms :—

"This Assembly recommends to the Governor-General in Council that a Committee consisting of Members of the Indian Legislature be appointed to consider and report at an early date as to what steps should be taken by the Government of India to encourage the establishment of the necessary industries, so that as large an amount as possible of the Rs. 150 crores proposed to be set aside for the rehabilitation of the railways during the next five years be spent in India, and further to advise the Government of India in regard to the revision of the Indian Stores Rules."

2 We must first apologise for the delay in submitting our report. Two preliminary meetings of the Committee were held in March last and it was hoped that we should be able to formulate our conclusions at a final meeting in the end of June. At that time, however, it seemed probable that the Fiscal Commission's Report would shortly be published, and since it was likely that that report would have considerable bearing on the problem with which we were confronted, our Chairman decided to await the publication

## REPORT OF THE

of that report before summoning a further meeting of the committee. The Report of the Fiscal Commission, though it reported in the beginning of July, was not made available to the public until the end of September and it was only in the beginning of February that the final meeting of the Committee was held. As will be shown below, however, the delay was not without its advantages.

3. Our terms of reference limit the field of our enquiry to those industries which are required to supply the needs of Indian railways, and we may say at the outset that we do not propose to re-traverse the ground covered by the report of the Indian Industrial Commission. We propose to confine ourselves to the industries covered by the terms of our reference, and to consider in what way Government can best encourage the development of those industries. The most prominent examples of such industries are the manufacture of railway wagons and locomotives, for we are advised that in the next five years railways are likely to spend on wagons and locomotives some 70 crores of rupees. There are, of course, other materials required by the railways and we have also kept these in mind. But the main difficulty of the problem lies in industries of the former type, that is, in industries which involve fabrication and the employment of large bodies of skilled workmen. The problem before us is to some extent simplified by the fact, in the case of the State-managed railways the Government of India are in a position directly to control the purchase of their requirements, and we understand that satisfactory sources of supply existing in the country are always brought to the notice of the Company-worked lines.

4. The fact that a large portion of the requirements of Indian railways consists of purchases made by a Government department constitutes the reason for the second of our terms of reference. In the words of a Resolution, dated the 5th December 1919, by which the recent Stores Purchase Committee was constituted, "the most obvious and direct form of assistance which the Government of India can give to the industries of the country is by the purchase of supplies required for the public services, so far as possible, in the country itself." We have accordingly subjected to further detailed examination the re-draft of the Stores Purchase Rules which is now under consideration. Our recommendations regarding the form which these rules should take are contained in a latter paragraph.

5. Before we proceed to make any recommendation with regard to the first of our terms of reference, we propose to recount briefly the steps which have been taken by the Government of India with the object of encouraging the manufacture of railway requirements in India. In the matter of rails, an agreement was concluded with an Iron and Steel Company in India that Government would

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take 20,000 tons of rails every year for a period of years at a price equal to the price of imported rails c. i. f. Calcutta. As regards steel plates, Government in agreement with the same company guaranteed to find a market for 10,000 tons a year for ten years at a price equal to that of imported steel plates c. i. f. Calcutta, provided that the first 10,000 tons were supplied within three years of the date of commencement of the agreement. The company, however, owing to circumstances beyond its control, failed to produce plates within the specified period. As regards wagons, the Government of India published a communique on the 1st March 1918 announcing that they would guarantee to purchase in India 2,500 broad gauge and 500 metre or narrow gauge wagons annually for ten years provided that the price was not higher than the price at which wagons could be imported. In the matter of locomotives again the Government of India published a communique on the 1st October 1921, in which they undertook to invite tenders annually in India for all the railway locomotive engines and locomotive boilers required by them during the twelve years commencing with 1923. Among the conditions published in this communique it was stated that tenders in India to be successful must quote prices "not unfavourable" as compared with the price of the imported article and that tenderers must satisfy Government that an appreciable part of the manufacturing process would be performed in India. It was added that firms receiving orders in India would be expected to provide facilities for the training of Indians in their works.

6. It will be seen that the Government of India have already adopted, with success in one case, the method of encouraging a new industry by guaranteeing orders, and the preliminary conclusion of our Committee was that this method offered the most hopeful solution of the problem put to us. It is a method which has the sanction of precedent. Subject to certain safeguards, it has been approved not only by the Indian Industrial Commission, but also by the Stores Purchase Committee, and the language of paragraph 288 of their Report indicates that the Fiscal Commission regarded this method as a legitimate method of encouraging the development of those industries with which we are concerned. Obviously, the method must be applied with discretion. The Stores Purchase Committee has pointed out that, if too liberal use be made of it, it may tie the hands of Government and may tend to discourage competition. It is also clear that, if the method be adopted it will be necessary to make reasonable conditions as to price, quality and delivery. The two latter points need not cause diff-

culty, for we assume that the new Stores Department will be able to make such arrangements, as will ensure the maintenance of a proper standard of quality and the requisite rate of delivery. It is when we get to the question of price that the real difficulties begin to emerge.

7. In considering the question of price, we have to place in the scale against the desirability of developing Indian industries the need for strict economy, in order that the sum which has been earmarked for the rehabilitation of the railways may be utilized to the best advantage, and the original suggestion of the late Sir Vitthaladas Thackersey, whose loss we greatly deplore and whose views are entitled to peculiar weight, since he was the mover of the Resolution in pursuance of which our Committee was appointed, was that the guaranteed price should be the *c. i. f.* price of the imported article of similar quality *plus* import duty. In this connection, we quote *in extenso* Rule 10 of the existing Stores Purchase Rules :—

"In all cases in which the selection of source of supply depends upon comparison of prices, the procedure to be adopted for such a comparison is as follows :—

(i) A reference should be made to Home prices as shown in the Rate Lists, and freight should be added at the lowest rates paid by the India Office, together with. 13s. 4d. per £100 for interests, 2s. 2d. per £100 for insurance, and 3d. per ton for freight brokerage.

(ii) In cases of important contracts, the prices ruling in the English market should be ascertained by telegraphic reference to the Director-General of stores.

(iii) In cases where the necessary information as to Home prices is not available from the Rate Lists, the purchase in India shall be subject to the condition that the price is not unfavourable.

(iv) In order to arrive at the market value at an Indian port of the article imported from England the following charges shall be included :—

(a) Landing, wharfage, and port charges as shown in the Rate Lists.

(b) Customs duty, as shown in the tariff to be applicable to the article in question, to be calculated on its cost *plus* the additional charges mentioned in the earlier part of this rule.

(c) The cost of carriage to and from port or place of manufacture, as the case may be shall be taken into account."

It will be seen that the suggestion made, by Sir Vitthaladas Thackersey is in accordance with a principle already recognised in

the Stores Purchase Rules, and if the principle of guaranteeing orders is accepted as a legitimate means of encouraging industries in India, we have no hesitation in recommending that the price should as a general rule be fixed in accordance with the above rule. We need only add two remarks. If the recommendation in paragraph 285 of the Fiscal Commission's Report is accepted, it will be unnecessary to make any allowance for customs duty and if the guarantee extends over a long period, the price should of course be fixed on a sliding scale varying with the variations of the price of the imported article. The details of this proposal will be a matter for arrangement in each particular case.

8. So far the matter seems clear enough but unfortunately the above proposal carries us only a certain way in the direction indicated by our terms of reference and at this stage it becomes necessary to distinguish between these industries which involve fabrication and the employment of large bodies of skilled labour and other industries of a less complex kind. As examples of the former class we may instance the manufacture of wagons and locomotives ; and as examples of the latter class we may cite the manufacture of fencing wire, permanent-way material and structural steel. As regards the latter class we see no difficulty in applying the principle embodied in Rule 10 of the existing Stores Rules. *F. o. b.* prices in England can always be obtained either from the Director-General of Stores or from the trade papers, and we see no reason why the method of guaranteeing orders on the lines explained in the preceeding paragraph should not prove effective in the case of these industries. But it is different with industries of the former class. We do not stop to point out the difficulties of price comparison, for there are other difficulties of a more serious nature. The principal difficulty is that described in paragraph 65 of the Report of the Fiscal Commission. Industries of this kind require a considerable period for their development. Large capital expenditure is required for plant, equipment services and the like, and a considerable time must elapse between the inception of the undertaking and the beginning of actual manufacture. In India, moreover, the supply of skilled labour for this class is limited. It is extremely expensive to import all the skilled labour required, and much time and money must be spent in collecting and training the necessary skilled operatives. During the initial stage of development the out-turn must be small and uncertain and manufacturing costs must be much higher than those of old established works abroad. In fact, industries newly started in India for the manufacture of railway material of a fabricated nature cannot in the initial stage compete without assistance against established



industries abroad. This difficulty is inherent in the problem and must always be serious: but at the present time it is especially serious. It is well known that, owing to general trade depression, manufacturers abroad especially in the United Kingdom, are fighting with their backs to the wall in order to keep their works open and their men employed, and they are quoting prices which, in some cases at any rate, we believe to be below the commercial cost of production. In any case they are quoting prices with which firms in India cannot possibly compete. As a case in point, we refer to the tender for 3,132 railway wagons of different types recently called for by the Railway Board. We have been informed that in all 44 tenders were received from wagon manufacturers in India, England, Belgium, Germany, America, Canada, France and Holland. The tenders from British manufacturers were by far the lowest, and in the case of the most important type of wagon, the lowest satisfactory Indian tender was 50 per cent. higher than the lowest English tender, even with the addition to that tender of *c. i. f.* charges and customs duty. It would have cost the Indian taxpayer approximately half a crore of rupees if the lowest satisfactory Indian tenders for these 3,132 wagons had been accepted instead of the lowest satisfactory tenders from abroad, and the case also affords a good illustration of the inherent difficulty referred to above. The British firm which obtained the bulk of the order has an authorized capital of nearly £11 million sterling, and is a combination of numerous old-established engineering concerns which between them manufacture almost every part of a wagon from the initial pig-iron to the final point. It is doubtful whether an Indian concern can for many years to come compete against so powerful a concern without a very large measure of assistance from Government. At any rate, it is certain that it cannot do so in the early stages of its existence. Thus we are driven to the conclusion that a guarantee of orders at a price fixed in accordance with Rule 10 of the Stores Purchase Rules will not by itself suffice to encourage industries which produce railway material of a fabricated nature, such as wagons and locomotives.

9. It will now be clear why our Chairman decided that we must await the Fiscal Commission's Report before submitting our own report. For we see no escape from the conclusion that the industries which we are now discussing, if they are to be developed—or rather kept alive—in India, must temporarily get some form of protection or assistance from Government. In other words, we find ourselves faced with a particular example of the general problem referred to the Fiscal Commission for examination. Nor, though we are now in possession of the Fiscal Commission's Report, do

we feel able to do more than state the above conclusion? We do not think that any useful purpose would be served by our going on to examine the further question whether special measures should be taken to develop these industries, as, for instance, by guaranteeing them orders at a price at which they can work even though that price may exceed the price admissible under Rule 10 of the Stores Rules. Even if we assume, for the purpose of argument, that the decision on the main question raised by the Fiscal Commission's Report is in favour of a policy of discriminating protection, we are no nearer a solution of our own particular problem. Our difficulty is that in our view it is impossible to take the case of the industries with which we are now concerned in isolation and separately from the steel industry as a whole. It might be held that these industries, are based on the steel industry, and that the existence of a healthy steel industry is a condition precedent to the establishment in India of the manufacture of wagons and locomotives on really sound and healthy lines. At present, we are informed that the firms now building wagons in India are dependent on imported steel to the extent of 80 per cent of their requirements. Now the Fiscal Commission has recommended that, if a Tariff Board is established, one of the first subjects remitted to it for enquiry should be the question whether protection should be extended to the manufacture of steel in India, and we cannot disguise from ourselves the fact that, at first at any rate there may be between the steel industry and the wagon industry that conflict of interest which is referred to in paragraph 99 of the Fiscal Commission's Report. If we assume, for instance, for the purpose of argument, that it is decided as the result of an investigation by a Tariff Board to impose a high protective on imported steel or certain classes of imported steel, it is obvious that such a decision may for sometime react very unfavourably on all industries which use steel. The only recommendation, therefore, which we can make is that if a Tariff Board is constituted, and if the question whether protection should be extended to the steel industry is remitted to that Board for examination, it should be instructed also to investigate the wagon, locomotive and similar industries, to consider the bearing on such industries of any proposals it may make in respect of steel and to make such recommendations as it thinks fit in regard to these Industries.

10 The second of the terms of our reference requires us to advise the Government of India in regard to the revision of the Rules for the Supply of Articles for the Public Service. These rules are made by the Secretary of State in Council, whose control is required by the rule governing the expenditure powers of the

Government of India, published in the Government of India's Resolution No. 1448. E, A., dated 29th September 1922. The rule in question runs as follows :—

The previous sanction of the Secretary of State is necessary :—

(5) To any expenditure on the purchase of imported stores or stationery, otherwise than in accordance with such rules as may be made in this behalf by the Secretary of State in Council."

One of the terms of reference to the Stores Purchase Committee was to consider what modifications in the existing Stores Purchase Rules would be necessitated by the scheme which they recommended. The Stores Purchase Committee recommended certain alterations in the rules which were considered by the Government of India. A revised draft of the rules was circulated by the Government of India to Local Governments for opinion in March 1921, and it is the revised draft which the present Committee has to consider.

11. We attach to this report a copy of the rules circulated to Local Government. We do not think it necessary to explain in detail the alterations which we propose. Generally speaking they are intended to give greater discretion to purchasing officers in India, particularly to the Chief Controller of Stores and to relax the somewhat meticulous control reserved by the draft rules, in the form in which they were circulated to Local Governments to the Secretary of State for India. We recommend that the Secretary of State in Council be requested to sanction the rules in the form in which we have revised them. Under the Devolution Rules the purchase of stores required by Local Governments in Governors' Provinces is a provincial subject, subject, in the case of imported stores, to such rules as may be framed by the Secretary of State in Council. The form of this rule appears to be primarily a matter for consideration in consultation with the Local Governments concerned, and we have not thought it necessary to consider this rule in detail.

C. A. INNES  
CLEMENT D. M. HINDLEY  
\*LALUBHAI SAMALDAS

A. C. CHATTERJEE  
\*B. S. KAMAT  
\*RAM SARAN DAS  
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The following is the joint note by the Hon'ble Mr. Lalubhai Samaldas, the Hon'ble Rai Bahadur Lala Ramsaran Das and Mr. B. S. Kamat, M. L. A.

While we are in full agreement with the view expressed in the report that "there is no escape from the conclusion that the industries which we are discussing, if they are to be developed—or rather kept alive—in India must temporarily get some form of protection or assistance from Government", we think that our colleagues are not following this proposition to its logical conclusion when they say that the only recommendation they can make is to refer this subject to a Tariff Board if such a Board is created and if the question of granting protection to the steel industry is referred to them. We feel that this provisional recommendation does not go far towards solving the problem now before us. We think that the time has now arrived when Government should make a declaration in favour of granting protection to the iron and steel industries as basic industries and that they should appoint a Tariff Board to find out the methods and extent of protection that should be extended to these industries.

2. In case Government, for some reason or other, decide not to take any action in this direction, for some time to come we are of opinion that a committee similar to a Tariff Board should be specially appointed to examine, quite apart from other tariff problems, the question of the steel industry and to advise as to what form of assistance or special measures in addition to what is contemplated in Rule 10 of the Stores Purchase Rules should be extended to keep alive the railway wagon industry. While we realise that ordinarily in the interest of the taxpayer it is the best policy to buy in the cheapest market, we cannot overlook the fact that in the long run the taxpayer and the country will be a loser if the existing Indian enterprise in wagon building is allowed to be killed by foreign competition for want of encouragement or some sacrifice of economy, especially when we have now an opportunity of spending no less than Rs. 70 crores on railway materials.

3. Another question which seems to us to require careful investigation at the hands of a special committee such as we suggest is whether, and, if so, how far the present quotations for railway wagons from British firms are below their cost of production. As Government have undertaken to invite tenders for their railway requirements for ten years, it is necessary to find out all the possible reasons why quotations are so low. If this enquiry shows that the British tenders represent dumping prices, we are of opinion that in the interest of the Indian industry Government should consider the desirability of taking anti-dumping measures as outlined by the Fiscal Commission in paragraphs 138 and 139 of their report. We do not think that the problem of railway industries can be solved

if the question of some form of assistance or protection for them is delayed.

**LALUBHAI SAMALDAS, RAM SARAN DAS, B. S. KAMAT.**

**Note by Sir Campbell Rhodes, C.B.E., M.L.A.**

Whilst in general agreement with my colleagues, I consider that the concentration of India's stores purchases in any one centre, however capable, is calculated to lead both to extravagance at the centre and possibly to undesirable developments at the perimeter, a point on which, I am aware, the commercial community is not unanimous. My chief objection, however, to the Stores Purchase Rules is centred in rule 3, which appears to arrogate to the Stores Department in London an authority inconsistent with India's freedom of action in the matter of purchases for her own requirements. I see no reason why the Chief Controller of Stores should be restrained from purchasing in India from the Indian or European importer, whether such importer is acting as a merchant or as a manufacturer's agent, provided, of course, that the price is no greater and that the other conditions are not unfavourable. The establishment of commercial undertakings in this country should be encouraged. They contribute to the general revenues of the country, and if the largest individual purchaser, *viz*, the Government itself, does not buy from them, the incidence of their overhead charges must necessarily be higher, to the detriment of the Indian public and such private industrial enterprises as depend for their supplies on the importer. It is obvious, moreover, that encouragement of each importers will enable the latter to carry larger stocks, thus constituting, without cost to the country, the best guarantee for obtaining supplies in the country in cases of national emergency. If, on the other hand, the Chief Controller of Stores is compelled to purchase through the Stores Department in London, he must indent far ahead for his probable requirements and estimate such requirements as the maximum, with possibly a margin of safety, a procedure calculated to produce waste. There are numerous instances where importing firms have become first fabricators and then local manufacturers of the commodities they had hitherto imported and there is thus a natural tendency towards the establishment of industry in the country. Knowing the conditions of the market they are able to avoid some at least, of the pitfalls surrounding the establishment of new industries in the country. The science of marketing is a subject for specialists, as has been proved by many abortive attempts at the end of the war to bring the manufacturer and consumer into direct communication without the intermediary of the trading expert.

## REPORT OF THE Indian Arms Rules Committee

A resolution was moved in the Assembly on the 28th of February 1922 by Baba Ujagar Singh Bedi to the effect that a Committee with a non-official majority should be appointed by the Governor General in Council to examine the new Arms Rules, 1920, and to submit a report before the next session making specific recommendations with a view further to amend them. The Resolution was carried and was accepted by the Governor-General in Council subject to adherence to the principles (1), that there should be no racial discriminations in the rules, and (2), that the Government must retain the power to impose restrictions to prevent arms and particularly fire arms from falling into the possession of lawless or dangerous persons.

In accordance with the instructions contained in Resolution No. F.57-1-Police, dated the 1st June 1922, we have examined the Arms Rules, 1920 and submit our recommendations to the Government of India for such action as they think desirable.

2. Our conclusions have been reached after an exhaustive examination of the views of local Governments, the recommendations of the Committee appointed in 1919 to advise as to the principles on which the rules should be framed, and a large number of memoranda submitted to us by various members of the public many of which were sent in response to a general invitation issued by the Government of India to those interested in the subject under discussion to communicate their views to Government for the information of the Committee. We have examined orally 13 official and 16 non-official witnesses including representatives of the army and the trade, whose evidence was taken in public of which much has already appeared in the columns of the press. We commenced our sessions in the month of July and spent ten days in recording evidence. We were unable to conclude our work then and for unavoidable reasons were compelled to postpone our deliberations until the September Session of the Legislature. For this reason there has been some delay in the submission of our report.

### EXEMPTIONS.

3. We propose to deal first with the question of the retention, extension or contraction of the list of exemptions. Their total abolition has been advocated generally as a counsel of perfection, and the majority of the Committee would prefer this course if it were practicable. Local Governments, however, are of opinion that at this stage the entire abolition of exemptions would create

grave dissatisfaction amongst the classes hitherto exempted and would be unwise and inexpedient. With this conclusion the majority of the Committee are in agreement. A large number of non-official Indians both in their oral evidence and in their written memoranda maintain that the Schedule of exemptions should be enlarged. After careful consideration of the views put before us and after examining in detail the entries in Schedule I, we are of opinion that the existing list of exemptions contained in that Schedule is imperfect in some respects and we make the following recommendations regarding it :—

Under *entry 1 (a)* we would include Ministers and Members of the Imperial Legislature during their terms of office and Privy Councillors. The Committee by a majority do not recommend a similar concession to Members of the Provincial Legislatures.

In regard to *entry 8 (d), 8 (f), (i) and 8 (g)* we doubt whether the terms Great Sardars or Zamindars are sufficiently precise and we do not know what interpretation is placed upon them by the local Governments concerned, namely the Punjab, the United Provinces and the Central Provinces. We therefore recommend that enquiries should be made from these local Governments whether they maintain lists of these categories, whom they include, and whether they are sufficiently elastic. It has been represented to us that in some cases gentlemen who are in fact big Zamindars are excluded because they are not on the provincial Durbar List. If this is so we think that it is an undesirable restriction. We are further of opinion that due regard should also be paid to lineage and family position and the lists revised accordingly. If such lists of exemptions under this entry are not maintained we recommend that they should be prepared, after the terms in question have been more precisely defined. We append a note by our colleague, Baba Ujagar Singh Bedi, making certain suggestions in this connection which we think may suitably be placed before the local Governments concerned for consideration.

*Entry No. 7.*—We were impressed with the evidence of Khan Bahadur Muhammad Saifullah Khan, Khan of Isa Khel, who explained that the proviso in Column 3 rendered this privilege to a large extent ineffective and we accordingly recommend the removal of the proviso. We are also of opinion that the same privilege should be extended to the districts of Campbellpur, Rawalpindi and any other district adjoining the North West Frontier Province which are exposed to raids and dacoities unless the local Government take exception to this course.

*Entry 11, 11 (a) and 11 (b).*—We consider that it is unnecessary to retain these exemptions in the actual Schedule of Exemptions. These items were included with a view to protecting what may be termed the vested rights of the classes named, on the 1st of January 1920, and we are of opinion that these rights should continue to be protected. We therefore recommend that all the present exemptees in the entries 11, 11 (a) and 11 (b) should be granted a life license conferring on them the same privileges in respect of arms exempted from license and fee which they now possess. The majority of the Committee do not recommend that this privilege should be extended to title holders who received titles after the 1st of January 1920.

*Entry 13.*—We recommend that an addition should be made to provide for the gift of swords or other arms by the Commander-in-Chief or on his behalf. A similar addition should also be made in Schedule II entry 3 (*vis*). Our colleague Baba Ujagar Singh Bedi has pointed out that some confusion exists in regard to entry 11 (a) and entry 13. He considers that it should be made clear that entry 13 relates only to those who were presented with swords and arms after 1920. This follows as a matter of course if our recommendations are accepted, as entries 11, 11 (a) and 11 (b) will be omitted and entry 13 will be renumbered. We are content to leave this point of drafting to the special officer who, we propose, should be appointed for the purpose of redrafting the rules.

4. We considered the proposal that all stipendiary and Honorary Magistrates should be included in the list of exemptions; but we are of opinion that a fire-arm cannot be regarded as a necessary part of the equipment of a Magistrate as such and are unable to recommend this. The case of the police is sufficiently met by the fact that a revolver is already a part of the equipment of police officers above the rank of head constable. While in our view it is reasonable that all Government servants who in the opinion of the Local Government require arms for the adequate discharge of their duty should be exempt from the payment of fees, we cannot recommend that all Government servants should be included in Schedule I among the exempted classes.

5. In the case of all exemptees we consider it of the highest importance that they should register all the arms they have in their possession. We recommend no interference with the restrictions at present imposed by local Governments on the number and kind of arms which can be possessed by exempted persons. It follows that we do not recommend a fixed scale which shall be uniform throughout India. Conditions vary in different provinces and under the rules framed by the various local Governments exemptees can



carry as many weapons as they reasonably require for the purpose of protection or other legitimate purposes.

6. A proposal has been put before us that the power of cancelling individual exemptions should be given to local Governments. We consider that the existing rules by which this power is vested in the Governor-General in Council should remain.

7. Our colleagues Mr. Bajpai, Mr. Reddi and Mr. Faiyaz Khan favour the adoption of a system by which licenses should be issued without restriction to all applicants on payment of the prescribed fee save in the case of undesirable persons specified in a list kept for the purpose. This proposal however does not commend itself to the majority of the Committee who regard it as entirely outside the scope of practical politics. It is not only exposed to the objections we have urged to the total abolition of exemptions, but is open to the serious criticism that a suitable or proper classification of undesirable persons would be impossible.

#### ENTITLED CLASS.

8. We next come to the entitled class. The evidence on the question whether licenses are often withheld from those who belong to this class is divided, but we would recommend removal of restrictions in two directions. In our view eligibility to be included in the entitled class should be considerably extended, and the existing procedure in the matter of enquiry is susceptible of material relaxation. As to the eligibility, we recommend that the payment of Rs. 500 land revenue, Rs. 100 in roads and public work cesses, any payment of income-tax and, in the case of a Government servant, receipt of a pay of Rs. 100 a month and over should be sufficient qualification. In the case of the Punjab, Madras and the Central Provinces we suggest that enquiry should be made whether the limit of land revenue should not be Rs. 250 instead of Rs. 500. Further, the heads of Joint Hindu families should be included in this class, and the adult brothers and sons of entitled persons living jointly with them should be similarly regarded as belonging to it. As to the relaxation of the procedure of enquiry, we think that lists of entitled persons should be maintained and that any member of the entitled class applying for a license should be granted one immediately without enquiry unless the District Magistrate has some definite reason to think that the applicant is not a fit person, in which case he may, for reasons to be recorded in writing, refuse the grant of a license or cause enquiry to be made: in cases of refusal we would recognize a right of revision by the Commissioner or some officer of equal status nominated in this behalf by the local Government. In the existing rules no mention is made of the entitled class, the principles

regarding it being contained in a Resolution of the Government of India No. 2125-C-Police, dated the 21st March 1919. We are of opinion that it would be more satisfactory to the general public if the provisions regarding the entitled class with the modifications we suggest were embodied in the rules and we strongly recommend that this should be done.

#### LICENSES.

9. We have given careful consideration to the various questions which arise in connection with the grant of licenses, especially licenses for the possession of arms. Complaints have been made to us regarding the administration in practice of the Rules, especially as regards the delays in dealing with applications, the irksome nature of the enquiries sometimes instituted, the difficulty of securing renewal of licenses already granted, and the difference in the restrictions imposed by the various local Governments. Indeed we are constrained to place it on record that in our opinion the vigorous criticism which has been directed against the Arms Rules in some quarters is due not so much to inherent defects in the rules themselves as to the method in which they have been put into practice. We have therefore given our particular attention to methods of improving the executive machinery.

#### ENQUIRY.

10. We have referred above to the unnecessary inconvenience caused in some respects to would-be license holders, by reason of the delay in issuing licenses. We recognise that this delay is frequently caused by the necessity for making enquiries about the fitness of a person to possess a weapon, and while we do not recommend that enquiry can be dispensed with in every case, we believe that the present practice by which enquiries are almost entirely carried out by the police is open to objection and should as far as possible be abandoned. We suggest that in any case in which a previous enquiry is necessary particularly in cases of entitled persons the District Magistrate should make it if possible by any agency, official or non-official as he may choose, other than the police and whenever possible through a Magistrate. In any case in which it is found necessary to have an enquiry made through the agency of a police officer we are strongly of opinion that a license should not be refused merely on the strength of the report of such an officer alone but that the District Magistrate should order a magisterial enquiry also before coming to a final decision.

**LIMITATION OF NUMBER OF LICENSES.**

11. In some provinces we have found that a custom obtains of limiting the number of licenses issued. We have even found that the practice of individual District Magistrates in the same province varies. Any arbitrary limitation of the number of licenses issued in a district or province may clearly lead to the refusal of a license to a fit and proper person and we can see no justification for the adoption save in exceptional circumstances of this practice. In our view the normal practice should be that no limit should be placed on the number of licenses which may be issued in any district or province. We recognise, however, that circumstances may arise in which a rapid increase in the number of arms in a particular area may be fraught with danger and we think it advisable that local Governments should have discretionary power, without being compelled to resort to the extreme measure of dis-arming, to limit the number of arms in any area or district if there is reason to apprehend serious danger from the free grant of licenses and if such restriction is necessary for the maintenance of the public tranquillity.

**REVISION AND PROSECUTION.**

12. We would recognise a right of revision in the case of refusal to grant a license, but we would not disturb the existing rule which requires the sanction of the District Magistrate to a prosecution.

**DURATION OF LICENSE.**

13. The period covered by the license varies in different provinces, but we recommend that it should now be the Calendar year. The scale of fees is discussed in paragraph 21 below. Persons should be allowed as at present to take licenses for three years on payment of a composition fee. We gather this rule is not widely known at present, and we think it would be desirable that the necessary steps should be taken to ensure its publicity.

**TEMPORARY LICENSES.**

14. In some quarters the criticism has been made that persons desirous of purchasing a weapon are put to inconvenience because they cannot produce the weapon when applying for the license necessary for its possession, and it was therefore recommended that a temporary license should be given to cover such purchase pending the grant of a license for possession. We do not agree with this, and in our view a permanent license should be issued at the time the applicant applies for a license and the number and description of the weapons purchased should be filled in by the firms from whom the purchase is made and communicated by them to the District

Magistrate concerned. In this matter a uniform practice should be adopted throughout India.

#### LICENSES FOR PERSONS ARRIVING BY SEA.

15. Another instance in which the present system has been shown to operate to the inconvenience of the license holders or would be license holders is that of persons arriving at Bombay, Madras or Calcutta etc., by sea, who are not in possession of licenses and are therefore compelled to deposit their weapons with their agents or in the Customs House until a regular license can be obtained. We therefore recommend that customs and police officers should be permitted to issue a temporary license for fourteen days on payment of the full fee, a receipt being given to the licensee. On receipt of the proper license from the authority empowered to issue the same no further fee should be payable.

#### LOSS OF WEAPONS.

16. We attach some importance to the stricter enforcement of condition 7 of the conditions under which a license for the possession of arms and ammunition is granted. It has been suggested to us that the procedure in the case of failure to report the loss of firearms should be tightened up. But we are of opinion that the contingency is provided for by the conditions of the license, and all that is required is its more rigid enforcement. We recommend, however, that the license should also specify the penalty laid down in the Act of breaches of this or any of the conditions under which the license is granted.

#### CROP PROTECTION LICENSES.

17. The question of a freer issue of crop protection licenses was raised by a number of witnesses. The evidence given by official witnesses goes to prove that crop protection licenses are issued freely but in some cases conditions are imposed such as annual production of evidence of the purpose for which the license is required before renewal is granted. We recommend the freer issue of such licenses and particularly on applications by or recommendations of landlords who are well acquainted with the local conditions and the extent to which damage is done to crops by wild animals.

#### FORM OF LICENSE.

18. We have been impressed with the fact that licenses are frequently granted on flimsy paper which quickly perishes, and we recommend the universal adoption of the Calcutta form. There the license is printed on stout paper, and is enclosed in covers such as is used in the case of passports. To the license a leaflet of

instructions, in the vernacular of the province or in English at the option of the licensee, should be annexed. These instructions should indicate the procedure laid down for the renewal of the license and the restrictions to which the licensee is subject. In this matter we plead for uniformity throughout India. It has been suggested that the All-India, the provincial, and the district license forms should bear distinctive marks, and a different colour for each has been proposed. We do not regard this suggestion as of vital importance, but pass it on to the Government of India for consideration.

### SINGLE LICENSE

19. A single license form should be used for all the weapons licensed and not a separate license for each arm. We have found diversity of practice in the different provinces in this respect and we recommend that there should be uniformity.

20. As regards the renewal of licenses we are of opinion that the existing procedure is susceptible of improvement. We see no reason why, when a license has once been issued, it should be necessary for a District Magistrate to sanction renewal. The licensee may have changed his district or he may live in an inaccessible locality. The inconvenience thus caused is considerable and easily avoidable. We therefore recommend that licenses should be renewed by any Magistrate or any Sub-Divisional Magistrate in the district in which the licensee is residing or in any other district in which he is known. In the case of a renewal of a license in a district other than that in which the license was originally issued, we recommend that the original license should be renewed and the authority which issued the original license be supplied with information of renewal. The production of fire arms should not, in our opinion, be a condition precedent to the renewal of a license.

### FEES.

21. In regard to the scale of fees we find that there are indications that the present fees are regarded as too high (except for provincial license in the North-West Frontier Province) especially in the case of breech-loading guns. We recommend the following scale in all provinces (except for provincial or district licenses in the North-West Province and possibly frontier districts of the Punjab) :

Initial fee.—Revolver Rs. 10 ; Rifle Rs. 5 ; Breech-Loading Gun and 22 bore Rifle Rs. 3 ; Muzzle Loading Gun or Air Gun requiring a license, annas 12 ; the enhancement of the fee from annas 2 to annas 12 being intended to meet the cost of the improved and more expensive form of license. The fees on renewal should be reduced and we recommend that they should be respec-

tively Rs. 5, 2-8, 1-8 and annas 8 ; but if renewal applications are not made within a month after the expiry of the period covered by the license we recommend that it should be open to the District Magistrate in lieu of prosecution to levy the initial fee in full. No reduction of fee on account of composition is required.

Payment of fees should be by non-judicial stamp and applicants should be allowed to send their applications for licenses by post.

#### EXEMPTION FROM FEES.

As stated earlier in our report, all Government servants who are, in the opinion of their local Governments, required to possess arms for the adequate discharge of their duty, and all members of the Auxiliary and Territorial Forces, should be permitted to possess two arms without payment of fees. Exemptees should, as at present, pay no fees and those who will, if our recommendations are accepted, receive a life license should similarly pay no fees for the arms which they are entitled to possess. We consider that the question of the extended issue of fire arms free of fee in the North-West Frontier Province and Frontier districts should be carefully examined by the local authorities and we strongly recommend that, subject to such enquiries, action on these lines should be taken. We sympathise with the view of the arms dealers that the existence of a separate fee for a license for import into India and transport to destination is a distinct hardship ; and in our opinion there should be a single fee only.

#### RESTRICTION ON LIMIT OF POSSESSION OF AMMUNITION.

22. Under the rules no limits are placed on the amount of ammunition which may be possessed ; but local Governments have themselves imposed limitations. From the evidence before us we consider that these restrictions are in some cases unnecessary and calculated to inconvenience the bonafide sportsman. A uniform procedure in this respect is desirable throughout India, and we accordingly recommend that no limit of ammunition should be fixed in the case of shot guns or 22 bore or target rifles. In the case of revolvers we recommend a limit of 100 rounds and in the case of rifles a limit of 200 rounds per rifle. Any person who can prove that he needs more than 100 rounds for a revolver or 200 rounds for a rifle should be given a license for a larger number. At the time of the purchase of revolver and rifle ammunition the license should be produced. We are also of opinion that measures should be taken to facilitate the export of arms and ammunition to persons residing in feudatory states.

**ALL-INDIA LICENSES AND MORE EXPEDITIOUS PROCEDURE**

23. We have discussed in some detail questions affecting the issue of licenses because we feel that the public have legitimate grievances, and we believe that improvements can be effected for their benefit without in any way impairing the efficiency of the Arms Act administration. We desire now to make two proposals which we think may have material effect in allaying whatever dissatisfaction may remain. In the first place, we recommend that the issue of all-India license should be as unrestricted as possible and should be generally encouraged, and that certainly every member of the entitled class to whom a license is not refused should get an all India license if he desires it. Further, we see not sufficient reason why Assam and Burma should be excluded from the all-India license and would recommend their inclusion. In this connection we also recommend, with reference to entry No. 1 in Schedule II, that enquiry should be made from the Punjab, Burma, North-West Frontier province and Delhi whether the retention of these provinces in column 1 is really required and whether the power given in column 3 is not sufficient to meet all reasonable requirements. Secondly, we strongly advocate greater expedition in dealing with applications for licenses and renewals. We have dwelt already on the possible inconvenience caused to the public. With the object of remedying the existing state of affairs, it has been proposed that in each district a special department or a local advisory board should be established to deal exclusively with matters connected with the administration of the Arms Act. We are not in favour of the establishment of such a department or board, as the result would probably be even greater delay than at present, but we recommend that local Governments should be asked to issue instructions to district officers that they should appoint additional staff when necessary to deal expeditiously with applications for licenses and renewals, when applications are received in such numbers that the District Magistrate is not able to deal with them promptly with his ordinary staff.

**POINTS OF DETAIL**

24. We now come to a number of Miscellaneous points of detail and we propose merely to give a brief record of our conclusions.

**RESTRICTIONS ON REVOLVERS.**

25. It has been suggested by the military authorities that the restrictions on the possession of revolvers should be tightened up. We recognise that the unrestricted possession of revolvers might be a menace to the public tranquillity; nevertheless, we do not recom-

mend any tightening up of the existing restrictions which seem to be adequate. At any rate they have not been shown to have failed. The existing restrictions should however remain.

#### REVOLVERS OF 303 AND 450 BORE

26. Enquiry has been made whether the import into India of 303 bore revolvers should be prohibited. The military authorities see no necessity for the prohibition and we do not recommend it. There are, however, good reasons why the import of 450 bore revolvers which take service ammunition should be prohibited, and we recommend that such prohibition should be included in the rules.

#### RIFLES OF PROHIBITED BORE.

27. In regard to rifles of prohibited bore we recommend that no prohibition is necessary in the case of those rifles for which service ammunition cannot be used and the ammunition of which cannot be used for service rifles, but we make this recommendation subject to any objections which the military authorities may wish to place before the Government of India.

#### IMPORT OF ARMS THROUGH POST.

28. It has been suggested that the import of arms should be permitted through the post office, but we think any general rule such as this would be dangerous, and accordingly we are opposed to the adoption of this practice.

#### RETAINERS.

29. The rules regarding retainers have been represented as inadequate, but no specific instances of hardship have been brought to notice, and we are of opinion that no change is required.

#### CARRYING OF ARMS ON JOURNEYS BY FEMALE MEMBERS OF LICENSEES FAMILY.

30. A proposal was made to us that licenses granted to the head of a family should be held to cover the carrying of arms by dependent members of the family, particularly in the case of adult female members travelling alone. We are of opinion that the acceptance of this principle in such general terms might be dangerous. We think, however, that there is much to be said for the wife of a licensee being permitted to carry a weapon for purposes of protection on a railway journey, and we recommend that to this extent the proposal should be accepted.

#### SALE BY AGENTS.

31. We agree that the practice hitherto followed by licensed dealers of employing assistants to conduct their business in their tem-



porary absence should continue, and that it is unnecessary to take further steps to legalise it.

### RECIPROCITY WITH INDIAN STATES

32. As regards reciprocity with Indian States, it has been proposed that reciprocal arrangements should be made in all matters connected with arms administration. We recognise that unrestricted reciprocity is clearly impossible. Some States have no Arms Act or Rules, and in others the administration of their rules proceeds on different lines from those which obtain in British India. We could not with equanimity contemplate a large number of persons from Indian States coming into British India in possession of arms on the ground that they are exempted in their State. On the other hand our exemptions provide for the exemption in British India of a number of high officials belonging to Indian States, and we therefore recommend that the Government of India should endeavour to secure reciprocal arrangements with any State which can satisfy the Government of India that they have properly administered Arms Rules.

### DISTRICT AUTHORITIES—KARACHI

33. We recommend that the same power be given to the Commissioner in Sind and the District Magistrate, Karachi, in respect of the grant of licenses for the export of arms and ammunition to Indian States by dealers in Karachi as are at present possessed by particular officers named in Schedule VI. in respect of arms exported from elsewhere in India.

### APPOINTMENT OF SPECIAL OFFICER TO REVISE THE ARMS RULES

34. We have not considered a number of technical point and minor errors and omissions in the existing Rules to which reference has been made in the correspondence or the evidence we have examined. Our object has not been so much to revise the Arms Rules from the point of view of draftmanship as to suggest improvements that will benefit the public. As regards the technical defects of draftmanship we are not qualified to express an opinion, nor is it our duty to do.

We recommend that an officer might profitably be placed on special duty to redraft the Rules, in the light of the recommendations made in this report and that an expert from the trade should be invited to assist him. In our opinion it would enable the ordinary license holder to get a grasp of the rules which are of importance to him, namely, those relating to the issue and renewal of licenses, the fees payable, and the restrictions imposed, if these Rules were issued in a self-contained section. The Rules as they

stand are very confusing and are so comprehensive that the average licensee finds it difficult to disentangle those which concern him from those which are in the nature of technical instructions.

W. H. VINCENT, *President*.

T. B. SAPRU.

A. K. G. A. MARICAIR.

H. A. J. GIDNEY

DARCY LINDSAY.

HARCHANDRAI VISHINDAS.

ABUL KASEM.

M. K. REDDI.

BABU UJAGAR SINGH

BEDI.

\*MD. FAIYAZ KHAN.

S. P. BAJPAL.

} *Members.*

## APPENDIX

Simla.

September 27th, 1922

Sir,

As suggested by the Arms Rules Committee to elicit opinions of certain Provinces on Schedule I of the Arms Rules 1920, for which the Punjab Government have also been called upon to submit their view regarding Clause (d) Section I was also asked to suggest some definition which might be helpful to the Punjab Government in this effort.

I may be permitted to submit the following few suggestions which might be taken into account both by the Punjab Government as well as the Government of India before giving it a legal shape.

Although the Punjab Government has defined the Great Sardars and Jagirdars of the Punjab as those who are Provincial Durbars, yet it seems to me that there is no well-defined criterion which governs the creating and selecting of Durbars. It entirely rests with the arbitrary choice and recommendation of District Magistrates. Hence the definition is not for Great Sardars and Jagirdars.

There may be certain Provincial Durbars who may be regarded as Great Sardars and Jagirdars and yet may not be paying such high revenues as are paid by, or bearing such traditional qualifications as are enjoyed by those who are neither Provincial Durbars nor regarded as Great Sardars by the Punjab Government.

Therefore it has become imperative that a comprehensive definition should be provided for in the Law.

Provincial Durbars may be regarded as Great Sardars and Jagirdars. But over and above that, it may be pointed out that although the evidence given by the non-official witnesses from the Punjab and also certain other Provinces presses Rs. 500 as annual land revenue as a definition of Great Sardars and Jagirdars, yet to make it more restricted I beg to propose that a man whose land is

assessed to land revenue of Rs. one thousand annually, or at the most Rs. 1,500, or is a Jagirdar of the same value, and is also from the Punjab Chiefs Family must also be regarded as a Great Sardar and Jagirdar within the meaning of the Clause referred to above.

Might I here elucidate the matter. The Punjab Government itself has considered that highest value of the revenue tax-payer to be Rs. 1,000 as given in the Electoral Rules to qualify a person as an elector to Landholders' Constituency in the Punjab for the Legislative Assembly and that is the highest limit in the Punjab.

It is, therefore, obvious that such revenue payers in the Punjab are very limited in their number. The definition that I have given above will remove the trouble.

There seems no reason why the persons who come of high families of the Punjab Chiefs and are Jagirdars and still pay high revenues are excluded from this privilege and merely person picked up by the sweet will of District Magistrates should alone be and are regarded as Great Sardars and Jagirdars.

I presume that I have made the point clear and that it will invite the attention of the Government, and I may be informed at an early date of the decision which may be arrived at by them.

Yours sincerely.

BABA UJAGAR SINGH BEDI.

*M. L. A.*

I think that in view of the fact that land-revenue in the Punjab is very low a landlord paying Rs. 1,500 per annum as land-revenue in the Punjab may be exempted.

S. P. BAJPAL.

*M. L. A.*

While approving the view of my friend Mr. Bedi, I would also suggest to define the word or expression 'Ancient Zamindar' in Madras also.

M. K. REDDI,

*M. L. A.*

I agree with these views for Punjab.

H. A. J. GIDNEY.

ABUL KASEM.

For the reasons pointed out above I am of opinion that in the special circumstances of the Punjab, landholders in the Punjab paying an annual land-revenue of Rs. 1500 who are at the same time Punjab Chiefs should be exempted.

HARCHAND RAI.

# Minutes of Dissent

The following Minutes of Dissent were appended to the Report —

By Rai Bahadur S P Bajpai M. L. A

## *Paragraph 7.*

"I do not agree with the majority of the Committee that my proposal to issue licenses to all applicants on the payment of the prescribed fee save in the case of undesirable persons specified in a list to be kept for the purpose is outside the range of practical politics. The policy of the Government of India in regard to the administration of Arms Rules has all along been a subject of hostile criticism in the country. It is urged that innumerable restrictions and limitations imposed on the possession of firearms have led to the emasculation of the Indian manhood. Those of us who were connected with the recruiting work during the great war know with what difficulty recruits could be procured for combatant strength in the army. The reason is obvious. People in the interior who have seldom seen a breach loading gun would hardly agree to become soldiers and fight in the trenches. I think it is not impossible to prepare a schedule of exclusions. The Police maintains a register of bad characters and a list of persons convicted of heinous offences can be obtained from the office of the District Magistrate. Bad characters, persons convicted of heinous offences and members of criminal tribes may be excluded. I think the time has now come for the Government of India to take courage in both hands and adopt my suggestion which, I believe, will not only disarm criticisms levelled in season and out of season against the Government but also prove a source of considerable strength to the British Empire in the hour of need.

## *Paragraph 3 entry 1 (a).*

I think it is only fair that the members of the Provincial Legislatures should also be exempted. To me it appears an invidious distinction to exempt members of the Central Legislature and to deny the same privilege to Provincial Legislators. After all a considerable body of both the Legislators is drawn from the same class of citizens. The distinction, I am sure, will lead to considerable bitterness and heart-burning. I shall, therefore, recommend to the

Government of India to exempt the members of Provincial Legislatures as well.

*Entry 6 (g).*

(a) In Oudh all Taluqdars as such are exempt. Some of them pay nominal land revenue while non-Taluqdar Zamindars to enjoy the privilege of exemption are required to pay twenty thousand rupees land revenue. I think that with a view to the feelings which are running very high with regard to the exemption of Zamindars in the Provinces of Agra and Oudh, I shall suggest that all Zamindars who pay Rs. 3,000 or over as land revenue should be exempted. My recommendation coincides with the recommendation made by the United Provinces Landholders' Conference which met at Lucknow in July last.

(b) Heads of Joint Hindu families who pay Rs. 3,000 or upwards as land revenue should also be exempted and the adult male members, on the analogy of the entitled class, be considered as belonging to it.

*Entry 11, 11 (a) and 11 (b)*

I do not agree with the majority of the Committee in their recommendations to grant a life license to exemptees falling under these categories. I am not convinced that the removal of these entries from Schedule will satisfy title holders who received these distinctions after the year 1920. They will continue to feel that while their more fortunate brethren are exempt to all intents and purposes, they are *called upon* to apply for licenses. Most of the title-holders who received these decoration after 1920 feel that a rare privilege is denied to them.

Big landholders and a large number of title-holders have got large stakes in the country. I, therefore, see no reason why they should not be exempted. Consequently I recommend that entries 11, 11 (a) and 11 (b) should not only be retained but that all future title-holders etc. should also be exempted.

*Paragraph 4.*

I do not agree with the majority of the Committee when they recommend that Magistrates, etc. should not be exempted. I think all Magistrates, stipendiary or Honorary, Munsiffs and Honorary Assistant Collectors, should be exempted. Magistrates do need firearms to protect themselves when they are put in charge of processions, etc.

*Paragraph 5.*

I think it unnecessary to place restrictions on the number of firearms to be possessed by an exemptee. I shall therefore, recommend

that no restrictions be placed on the possession of fire-arms by exemptees, who are almost always loyal and law-abiding citizens.

S. B. BAJPAI, M. L. A.

By Muhd. Faiyaz Khan M. L. A.

I am sorry that I have disagreed on some points in the Arms Rules Committee:—

(1) I do not agree on the ground of principle that the Members of the Imperial Legislature should be exempted from the operation of the Arms Act only so long as they continue to be the members. A person may not enjoy any concession, but if he does, he should not be deprived of it during his life-time, unless there is something to prove that he has become less trustworthy. A Member of the Imperial Legislature does not lose any part of his worth or his sense of responsibility by ceasing to be a member. Membership is only an apparent proof of a man's qualities, and his retirement does not involve any kind of turpitude at all. I therefore strongly hold that the Members of the Imperial Legislature should enjoy this privilege during their life-time.

(2) I fail to understand why the entitled class should only be based on money consideration. A person may not be a Government servant or may not be paying the prescribed sum to the Government as revenue or taxes, but still he may be as good or even a better citizen than many of the Government servants and those paying revenue or taxes. The Professor of a Communal College is an instance in point, who is neither a Government servant nor paying anything as tax. Again, the son or sons of a zamindar may be thoroughly satisfactory men for keeping a weapon and still may not be paying any revenue or income tax in their name.

I really do not see why education be not also regarded as a sufficient qualification for coming under this class. Wealth may lead a man astray and may even bring him down to the position of a beast but education alone is a sure agent for ennobling character. I would therefore suggest the inclusion of the following to the entitled class :—

- (a) Barristers, Pleaders, Vakils of High Court of 5 years' standing ;
- (b) Professors, Readers, and Lecturers at Colleges affiliated to an Indian University,
- (c) M. As ;
- (d) B. As. of seven years' standing ;
- (e) Government pensioners drawing Rs. 100 and over per month.

(3) It should be expressly provided in the Arms Act that the licenses will not be held back on the basis of individual political views, and those who come under entitled class will get their licenses as a right and not as a favour. What justification was there for the forfeiture of licenses and arms of such revered, noble and peace-loving citizens as Pundit Motilal Nehru, Lala Bhagwan Das, Khwaja Abdul Majid and S. Asif Ali, etc. The refusal to issue or renew a license to Indians of this position, though a proof of the "frame" being made of "steel," has the inevitable effect of lowering the prestige of the Government in the country. Big Zamindars and money-lenders paying a large revenue to the Government have been refused licenses on the ground of their wearing "Khaddar."

On the refusal or the forfeiture of licenses, I have received a good many letters from respectable people and the following are the copies of a few interesting letters in my possession which will reveal the methods sometime adopted by some of the District Magistrates: A gentleman who is paying as much as rupees 25 thousand as Government revenue, who is also a Municipal Commissioner and the Secretary of an important orphanage and a girls school, writes:—

"The local officials simply on account of the reason that I wear Khaddar in response to the country's call have forfeited my license of Arms. I do not know what justification there is. Licenses are being granted to my petty cultivators only if they say that they are the members of the Aman Sabha. As far as I could ascertain and my knowledge goes, licenses were introduced so that undesirables should not possess firearms, but every day experience will show that murders and dacoities are being committed and Budmashes always have fire-arms and people of my social status do not get a license. We have to travel to go to our villages which are apart some 40 miles and travel with money, unsafe, absolutely at the mercy of robbers and nothing to protect us. I hope you will do something to relieve the present situation in the country and save gentry from these Bureaucrats who are pleased with a few words of flattery,"

But I will quote a most important example that the license of.....had been forfeited, and the reason of this forfeiture I shall explain in full instead of the explanation from the writer of this letter. The very gentleman referred to in the above letter wrote to me the reason why his license was forfeited, which runs as follows. His name is.....Rais and Talukder of..... he is one of the very big landholders of the United Provinces and is a confirmed 'loyalist, always dancing before the Collector and

the Commissioner of.....so timid and afraid of wearing Khaddar because that displeases the officials so he must wear Christy's cap.

Here is what he himself says about the reasons of the forfeiture of his licenses. "The whole estate is in the name of my father who pays revenue of about Rs. 5,000 to the Government. My father is supposed to be one of the big zamindars of this place, his name is.....as he has practically retired from all worldly cares and anxieties, so I am carrying the whole business for the last 6 years, and hence the licenses of firearms were in my name, which have been forfeited, and the forfeiture of arms has caused me very great inconvenience. I had to shift my residence from.....to..... permanently, as it was not quite safe at.....owing to the dacoities and robberies, though it is not quite safe over here too. I was never taking any part in politics, and why I was a prey of Bureaucrats, I shall explain to you in detail. The remote reasons of displeasure of the Bureaucrats was that when I was residing in.....a few Congress Volunteers came for subscriptions, and I also paid a sum, but that was not the immediate cause of displeasure. I was serving as a Punch in the Tehsil of.....and I was called upon by the Collector to resign my seat from there which as a gentleman I could not do so, as I had given my word that I will serve as a Punch for a month. This was the immediate cause of his displeasure and he said "if you do not resign your seat from the village punchayat I shall forfeit your arms" and on my refusal the arms were forfeited. I was under the impression that punchayats at least were no cause of displeasure to the Government, and on the other hand they were encouraged."

Another letter gives quite a different method adopted by a District Magistrate, which runs as follows :

"I have also a stubborn grievance against the license regulations which seem to exist only in name. We are told that the reform scheme had given the honourable zamindars an opportunity to apply for licenses for firearms such as rifles, revolvers, etc.' but we have fully experienced the Reform Scheme to be dead letter. I may quote instance. I am a big landholder of.....my father is paying a considerable Government revenue of Rs. 8,000. When I applied for the license of a rifle in the Collectorate, the Collector disposed of the case to the Deputy Collector, and I was called and I appeared before him and he told me that if I gave Rs. 200 as a contribution to a Government fund I could be given the license applied for. I plainly told him that I had already contributed a considerable amount and that this has no concern with the present matter, whereupon he said that if I were not ready to comply with



his order, I should not insist for the said license. Dismayed and embittered I left the court. Such measures I say can never compel us to co-operate. A cousin of the above writer also writes, "My case is a bit different because I have not been refused the license of a postal which I require, but I have every reason to preclude that if I were to apply for it I should have been flatly refused. This statement of mine is not without foundation and validity, because my cousin who applied for the license of a rifle was not given the license he asked for. We are one of the greatest zamindars of our district, our family is paying Government revenue of Rs. 8,000 (the whole family jointly paying Rs. 25,000 Government revenue) and myself exclusively paying Rs. 2,000. We really regret that being supporters of British Raj we are not so much trusted as to allow us to keep fire-arms. These measures instead of creating amicable relations with the Government bring about the greatest breach of faith in connection with the landholders.

"The above are a few of the typical cases I have selected, and I would only like to give one more letter from a person holding a responsible Government post in judicial line which will show how the other party thinks of the present arms rules. The letter runs as follows :—

"As for the Arms Rules, in my opinion, either the exemptions should be totally abolished or Gazetted Officers of 1st class must be exempted. You can well imagine the anomaly that a common man who has been hanging at the coat tails of a District Magistrate and thus becomes a Khan Bahadur prior to 1920 is exempted whilst a Sub-judge who is entrusted with the decision of the Rais cases of the value of crores is not....In my opinion if enquiry is at all necessary it must be entrusted to a District Committee comprising of officials and non-officials and their decision should be binding."

"Before I finish quoting examples, let me quote one more recent amusing example of the decision of a queer District Magistrate. A leading practising Vakil in a District recently applied for a license of a Double Barrel Breach Loading shot gun, and the license was duly granted with the following note on the application.

"I have seen the gentleman, who seems very uncertain whether he is an enemy of the established Govt. or not." Curiously one would like to know from the District Magistrate whether he himself is "the enemy of the established Government or not" because by forfeiting the license of such a respectable gentleman has he not sown the seed of hatred and discontent with the established Government?

"There is one more and the last example of the misuse of the Arms Act by a District Magistrate which I would like to show,

and I believe these examples to be enough to throw some light on the actual working of the Arms Act. A few months ago at Kashipur the shopkeepers observed hartal on a particular day, the District Magistrate got enraged and issued an order for the forfeiture of the Arms of some of these shopkeepers who observed hartal, and the order of the District Magistrate with the reply of the shopkeepers runs as follows :

**DISTRICT MAGISTRATE'S ORDER.**

"On 13th April 1922, a Hartal was observed at Kashipur in pursuance of the non-co-operation movement. A number of those who closed their shops on that day are in possession of arms license. Some of these have apologised. Others have not. The names of the latter are given below.

"By observing Hartal these persons showed their sympathy with the non-co-operation movement, and also showed themselves undeserving of holding arms licenses granted by the Government.

"I therefore hereby suspend the licenses of the persons named below and a notice will be served on each of them accordingly to deposit his weapons in the police station forthwith.

"If within one month of service of the notice the licensee files a petition in my court expressing his regret and assuring me of his non-sympathy with the non-co-operation movement, the weapon will be restored. Otherwise the licence will be cancelled on the expiry of one month.

"(1) Lala Sukhdeb Prasad Khatri, Honorary Magistrate, Kashipur ; (2) Lala Raghbir Saran Khatri, Kashipur ; (3) Lala Kunj Behari Lal, son of Lala Sukhdeo Prasad, Kashipur ; (4) Lala Brij Kishore Khatri, cousin of Lala Sukhdeo Prasad ; (5) Lala Purn Pershad Khatri ; (6) Lala Shiv Lal Khatri ; (7) Lala Ganga Prasad ; (8) Lala Chheda Lal Khatri ; (9) Lala Shyam Saran Har Sarau Khatri ; (10) Lala Sudama Lal Raghbir Saran ; (11) Lala Shiva Lal Vaish ; (12) Lala Hazari Lal Vaish ; (13) Chaubey Amarnath, Chairman, Municipal Board, Kashipur."

**THE REPLY.**

**TO THE DEPUTY COMMISSIONER, NAINITAL.**

Sir,

"In compliance with your order dated 7th June 1922, some of us have deposited our weapons in the police station, Kashipur and others with Sheikh Abdul Wahid, a local licensed dealer in arms. As under the law both the courses are open to us, those of us who have elected the latter have done so in the hope that it will facilitate

the disposal of these arms and enable us to realise a part of their values in case you are not pleased to rescind the above mentioned order.

"2. Under resolution No. 2125 C. of the Govt. of India, Home Dept. dated the 21st March 1919, payment of not less than Rs. 1,000 per annum as land revenue, or payment of an income-tax of not less than Rs. 3,000 for a period of three years, as well as under the United Provinces Govt. Resolution No. 5572-X-844, dated 10th Nov. 1919, payment of the above sums as land revenue or income-tax, respectively, or being an Honorary Magistrate, etc., is to be regarded as a sufficient qualification for entitling a person to obtain licenses for the possession of firearms, including rifle, smooth bores, etc. In accordance with these statutory rules every one of us is duly qualified and entitled to a licence and some of us are possessed of more than one qualification.

"3. The law for the suspension and cancellation of licences is clearly laid down in the Arms Act. Under section 11 a licensee is liable to be suspended or cancelled only if the licensee is convicted of an offence against the Arms Act or the Rules or if it be necessary to do so for the security of the public peace. None of us has been so far convicted of such an offence, nor has it been alleged by anybody and it is not stated or even suggested in your order that it is necessary to suspend or cancel our licences with a view to preserve public peace. So we venture to submit that your order is quite illegal and "ultra vires." We have, jointly as well as severally, a profound concern in the maintenance of public peace. Even if we were unmindful of the public weal, our own self-interest as well as self-regarding instinct would constrain us to discountenance everything that may tend to disturb the public peace even remotely or indirectly. We cannot help stating that we have a distinct stake in the land as each one of us is connected either with a zamindari or with a decent business concern, or with both, and as such we have everything to lose and nothing to gain by any breach of the public peace at any time. We beg leave to submit that the closing of the shops on the 13th of April last—whether all of us, did so or not, and though some of us namely, Lala Chedlal, Lala Brijkishore, and Lala Sukhdeb Prasad have no shops in any bazar and Lala Hazarilal none in Kashipur, so that it was not possible for them to close any—has no bearing in the matter of our licences and the suspension thereof on this account is not warranted by the law of the land.

"4 As a condition precedent to the restoration of the weapons you want an assurance of non-sympathy with the non-co operation

movement from each of us. We are at a loss to understand the full import of these words. As we have stated above, we have to come in contact occasionally, if not frequently, with public servants for various purposes such as the determination or payment of land-revenue or income-tax or for purposes of irrigation or settlement, and in connection with proceedings in courts, and the like. The very fact of our being in possession of the license is significant enough. Besides we are rendering public services, however humble they may be, in various other spheres, *e. g.*, in the municipality, in the furtherance of the co operative credit movement, in the management and maintenance of aided high school in our town, and one of us, Lala Sukhdev Prasad, is also an honorary Magistrate. Under these circumstances it would not be impertinent to enquire what we are required to undertake by giving in an assurance of non-sympathy with the non-co-operation movement. Unity among all races and orders, uplift of the depressed classes, encouragement of cottage industries and indigenous manufacture of cloth, revival of the purity and development of the individual and national sense of self-respect, and above all, the realisation of the paramount necessity of the maintenance of the public peace and order under all possible conditions and circumstances and an immutable determination to adhere to the above principles and to cultivate feelings of personal amity and good-will among individuals are and by far the main planks in the contemporaneous non-co-operation platform. Are we required to run in a counter direction and to turn over stiff backs against anything conducive to the progress of the State? Further, is any of these activities prohibited by law and if not, is one to be deprived of his legal rights and privileges because of his legitimate actions and lawful actions if he cannot succeed in persuading his conscience to accept the executive view of the matter or to disregard its counsel?

"5. There is a still grave aspect of the question, and we can only hope that it did not strike you at the time you passed the preliminary order suspending our licenses. As was well known to your predecessor in office, Kashipur sub-division and its vicinity is infested with dacoits as well as wild animals and their ravages have rendered serious havoc—villages have been deserted, land has gone waste and population is steadily dwindling—dacoities have never been scarce in these parts while during the last two or three years arson, pillage, assassination and inhuman outrages have been the order of the day and a reign of terror has been supreme for a considerable period, as even one having no local knowledge can easily gather from the Sub-divisional Magistrate's judgment in a recent

case, *K. R. vs. Umrao Singh* of May 1922) and the report of the land revenue administration in these provinces just published also bears testimony to this. 'Agriculture in the Naini Tal *talai* was hampered by the prevalence of dacoity, and the Commissioner remarks that dacoity was disastrous and the police were helpless' ('vide' paragraph 60 of the report). It is reported that a public-spirited citizen offered to lead the police in March last to the dacoits' camp in the neighbourhood of Kashipur town and in response to this the Superintendent of police did proceed to Kashipur and reached the railway station with a force of about a hundred strong one evening but... .. he retraced his steps and returned back to his headquarters with his party by the next train. Presumably he did this out of regard for public interests, and you will see from this how very irksome is our position, specially as some of us have already received threatening letters purporting to have been written to us by the members of the gang. In a case in which a person was convicted for being in possession of a pistol without a license at Kashipur, the High Court held in revision that a serious view should not be taken of the matter as the applicant was living in a part of the province where dacoities had been fairly numerous of late years, and there was a 'presumption that any person found in possession of such a weapon had obtained it for the purpose of self-protection' (Revision No. 680 of 1918),

"Under these circumstances we beg leave to submit that possession of such weapons as we have surrendered in obedience to your orders is absolutely essential for purposes of self-defence for persons of our status, and we hope that on reconsideration you will be pleased to cancel your orders under reference so that our arms may be restored to us."

"It is unfortunate indeed that some time the zamindars and other respectable people are deprived of the right of possessing fire-arms by license, while Anglo-Indians of the position of a railway-guard are being granted license even for revolvers. The Government of India, whose vision is certainly broader than most of the District Magistrates, may not perhaps like them be so narrow-minded, but their impetuosity has no limit. Let us, therefore, put a brake upon their rashness and local prejudices by an express provision of the Act.

"The present Arms Act requires or it is at least a practice in some of the districts, to bring or send the arms, after having bought it to the collectorate to have the number of the arms endorsed on the license, and I know a good many instances of a few

and every case, he says, "We do not want the White man to be our perpetual ruler, our perpetual trustee, our perpetual guardian. We have had enough of this everlasting trust. We extend to the White man, and I speak with absolute truth and sincerity, the hands of fellowship and good comradeship, but I do resent and as long as there is the last breath of life left in me I shall continue to resent, the perpetual domination of the Civil Service or any other service....."

Unless the principle is accepted by the Government and faithfully accepted and acted upon by the District Magistrates any improvement upon the present arms rules will be a farce. I cannot emphasise upon this point too much. The entitled class should never be debarred from holding the license except on the only ground of moral turpitude. I must, however, make it clear that I do not regard any attempt on the part of an Indian to criticise the policy of the official of the Government, or any desire on his part expressed in words or act to bring about a fundamental change in the policy of the Government, as amounting to moral turpitude.

The District Magistrates must not allow themselves to be carried away by what they hear from the police or those unfortunate class of non-official people who are called the flatterers, official favour-seekers, title and job hunters and sycophants, who, as a matter of fact, have taken on themselves the duty to always misrepresent the true spirit and condition of the country and the individuals, simply to satisfy their personal aggrandizements, and those unfortunate officials who are misled by this class of people, not only bury their own reputation and position but that of the Government too along with them. They should always coolly form their own opinion, and without the least fear of contradiction I can say that this class of people—who are never considered anybody in public eye, who always mislead the officials and hence the Government—are unfortunately the chief and the only root cause of all the present discontent and situation in the country. All personal considerations would defeat the hands of justice and fair-play and bring a bad name to the Government.

With due respect to the President of the Arms Rules Revising Committee, I may say that I do not for a moment accept the arguments some time put forward before the witnesses, that the presence of too many arms may prove dangerous to the public on such occasions as the Arrah or Katarpore riots. I wonder why no such riots ever take place or have ever taken place in any of the Indian States, although the use of arms there is almost freer than in British India. It entirely depends, if I may say so, on the

temperament of the people and the way in which delicate situations are handled by the Government. In the Indian States, there is no such things as quarrels between the Hindus and the Mussalmans, probably because their rulers do not seem to have yet adopted the unwise policy of "divide and rule."

If I remember aright, the Committee had decided that the powers of fixing the number of licenses in any district, in the case of necessity, should still remain with the local Governments. May I just say a few words about this--and finish this minute of dissent with the hope that these new rules will be dealt with in a new and a broader vision? I do not think there is any harm if the local Governments be given such powers, but, before limiting or reducing the number of licenses in any particular district, I hope the local Government will kindly announce through their local gazettes—at least a month before—the name with the date of the district where this new order is to be enforced, and also the reasons for doing so, with the opinion, if possible, of some of the responsible men of the district, concerned. Then and then alone should the local Governments be empowered to enforce this order.

MD. FAIYAZ KHAN.

18th October 1922.

Govt. of India on  
**The Purchase of Stores**





## GOVT. OF INDIA COMMUNIQUE ON The Central Stores Department

The Central Stores Department of the Government of India, initiated in January 1922 for the purpose of assisting Indian industrial development, was carrying on an almost useless and extravagant existence, and there was always a widespread doubt of the bonafides of the Government of India as regards their profession of anxiety for developing indigenous industries. The Inchcape Committee recommended a reduction from nearly Rs 4 lakhs to Rs. 3 lakhs for the expenses of this Department. The Government of India, however, disregarded this retrenchment and planned for a further expansion of the activities of the department, in justification of which the following Communique was issued on May 14th 1923. [For previous history regarding the Central Stores Department and the Rules made for its guidance, see I A. R. 1922. Vol II p 748 et seq.]

The Government of India have definitely made up their mind concerning the future of the Central Stores Department which was constituted last year for the purpose of assisting the industrial development of India by utilizing to the utmost possible extent the resources of the country for supplying the requirements of public service in respect of stores and materials. The Department came into existence in January 1922 as the result of the acceptance of the recommendations of the Industrial Commission and the Stores Purchase Committee, but owing to general financial stringency in the central exchequer during the year, its expansion, which was essential if the full calculated results were to be achieved, was held up and its operations limited. The acute financial position had not only thwarted its activities ever since its inception but its future was put into the melting pot by submitting it to review by the Retrenchment Committee. Lord Inchcape and his colleagues recommended the suspension of further expansion till Provincial Governments were prepared collectively to utilize the department for their transactions. This view took for granted that one of the main activities of the Central Stores Department was to make purchase of stores for local Governments. But this view was wrong because as a matter of fact the volume of purchases effected by Provincial Governments is relatively inconsiderable and the adhesion of these Governments form no part of the Government of India's plan for the constitution of their Stores Department. The volume of business done for the Central Government in itself justifies the expansion of the department which the Government of India regard as the most practical instrument which they possess for assisting in the development of India's industrial enterprise.

Expansion is considered financially justified and accordingly the Chief Controller's general scheme of organisation is being submitted to the Secretary of State for approval. From time to time in the Press and in the Legislatures the Government's willingness to fully utilise the resources of the country has been doubted and in support of this view the continuance of large orders for stores through the High Commissioner in London have been quoted. It is true that the markets of Europe are still being resorted to extensively by the Government of India for their purpose, but this should not be taken as an indication that the Government are swerving from the path marked out for themselves. The main reason for the continuance of large purchases abroad is the comparatively slow development of industrial life of this country and consequently its inability either to supply materials and stores of the descriptions ordered through the High Commissioner or to produce them at prices and qualities incomparable with those obtainable abroad. It must, however, be admitted that to some extent purchases have been made abroad even in cases where stores of required quality have been obtainable at reasonable prices in India, and although Indian markets have been utilised to a largely increasing extent for years past it is rightly felt that more extensive purchases could have been made in India than have been hitherto the case. But this is due to causes which it is proposed to remove by the operations of the Stores Department.

As is well-known, purchases in India have been effected through the agency of individual departments and officers and the reason why these have not resorted to Indian markets to a larger extent has been due to their lack of knowledge of the available sources of supply or the absence of efficient agencies for the inspection of stores recognising that the interests of India demanded the constitution of a Stores Department. The Government of India appointed three chief officers, namely, the Chief Controller of Stores, the Director of Inspection and the Director of Purchase and Intelligence to work out a scheme for the organisation of the department. As soon as a suitable officer was found as Chief Controller the department was brought into existence in January 1922, and the Govt. transferred to it the work of several other organisations. Some additional staff was also sanctioned and the Director of Purchase and Intelligence, after studying the system of purchase and inspection in force in the London Stores Department, submitted a report dealing with the matter. During the course of the year the Chief Controller submitted his scheme to the Government for full organisation of the department and it is now about to be submitted to the Secretary of State for orders.

## REVIEW OF WORK IN 1922

Although the activities of the Stores Department had to be curtailed for reasons of financial stringency, nevertheless, the Department carried out a substantial volume of useful and remunerative work during the past year. It undertook investigation and collection of information relating to actual and potential sources of supply in India and in this way did much to prepare the ground for facilitating its future activities. It moreover made extensive purchases of textile goods in the country amounting to about 160 lakhs, thereby securing substantial economies in the expenditure on such stores and also diverting to India a considerable volume of business which had previously gone abroad. The nett cost of the Department, taking into account charges which had been levied for work performed by it for other departments of the State, and for public and private bodies and individuals, amounted to the comparatively small figure of approximately Rs. 51,000 during the year 1922-23. As stated above, the recommendation of the Inchcape Committee to stop further expansion of the department till the provinces agreed to utilize it has not been accepted. The Government of India not only feel that its expansion is financially justified, but also disagree with the suggestion of the Inchcape Committee that the fee which they have tentatively decided to charge for the services of the Stores Department is excessive. The Government are therefore determined to expand the department as the financial position permits, and are authorizing employment of the agencies with the Chief Controller's office for carrying out work connected with the acquirement and dissemination of information relative to indigenous sources of supply, examination and preparation of standard specification and for initiation of work of purchasing engineering stores and materials for all departments of the Central Government. Steps are also being taken to fill the appointment of the Director of Inspection which has, save for a brief period, remained vacant and to recruit an Assistant Director of Inspection at Headquarters. They are also about to recognise the office of the Superintendent of local manufactures and the Government Test House by withdrawing from that institution the inspection work as distinct from tests analysis hitherto undertaken by it. The inspection work hitherto undertaken by the Superintendent of local manufactures and the Government Test House will be transferred to an organisation with headquarters at Calcutta, called the Inspection Circle, which will form the nucleus of the inspection branch of the Indian Stores Department under the control of the Director of Inspection. The office of the Superintendent of Local Manufactures and the Government Test House will be

confined to carry out in the laboratory of the test house tests and analysis of materials and other work incidental thereto. Further development of the department's activities would be undertaken as the financial situation permits. Efficient inspection agencies in different manufacturing centres are of vital importance and further expansion will aim at providing these agencies.

It will thus be seen that the Government of India have no intention whatever of departing in the smallest degree from their expressed policy of utilising the resources of the country to the greatest extent possible for supply of their requirements and that they intend to make as rapid a progress in the direction indicated. It is to be hoped that, when the Stores Department is further developed and the manufacturing industries of India become more fully developed, it will be possible to transfer a considerable portion of the central purchase work to India, thereby reducing the London Stores Department, but it is evident that until a stores department in India expanded, an organisation of the kind maintained under the High Commissioner in London must of necessity exist.

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## REPORT OF THE Railway Risk-Notes Committee.

The report of the Committee which was appointed last year to consider the grave discontent amongst traders for the unsatisfactory way in which goods are handled by Railways and for the revision of the Railway Risk Notes was published on 7th October 1922. The personnel of the Committee was Mr. Seshagiri Iyer (Chairman) Messrs. Subrahmanyam, M. Ramji, A. M. Clark and C. V. Bliss (members) The report was unanimous.

The Committee say: "our recommendations are necessarily in the nature of a compromise" between the views of the Railways and the traders, as their views are "to a great extent irreconcilable." Risk-notes B & H. have always been the chief cause of contention and litigation. The risk notes at present in force are ten out of which alterations in five, viz, A B H G and D are suggested by the Committee. One change common to all is the substitution of 'misconduct' for 'wilful neglect.' In brief the recommendations of the Committee are :— in case of risk note A it is recommended that the form should be amplified to make the Railways liable for loss, damage, etc, upon proof that such loss is due to misconduct on the part of their servants. The Committee observes that while it is necessary that the Railways should be protected from losses due to causes outside their control, it is equally necessary that they should restrain their staff from demanding execution of risk note without justifiable cause. In case of risk notes B H D and G it is recommended that the forms should be so modified that in cases of non-delivery or pilferage of goods from consignments properly packed, the Railways should be required to lead evidence to show how goods were dealt with while in their possession or control. Form B is also to be modified by making goods clerk to write at the end of the form description of packing with a view to obviate necessity for taking form A in conjunction with form B. The operative clause in forms B and H as revised by the Committee will read thus: "I, the undersigned, do in consideration of such lower charge agree and undertake to hold the said Railway administration harmless and free from

all responsibility for any loss, destruction or deterioration of or damage to the said consignment from any cause whatever except upon proof that such loss, destruction, deterioration or damage arose from the misconduct of the Railway administration's servants ; provided that in the following cases : (A) non-delivery of the whole of one or more packages forming part of a consignment properly packed and fully addressed, unless such non-delivery is due to accidents to trains or to fire ; (B) pilferage from packages of merchandise properly packed, that is packed in accordance with instruction laid down in the goods tariff, or where there are no such instructions, protected otherwise than by paper or other packing readily removable by hand, provided the pilferage is pointed out to the servants of the Railway administration on or before delivery, the Railway administration shall be required to lead evidence to show how the consignment was dealt with throughout the time it was in its possession or control but, if no circumstances from which misconduct can fairly be inferred are disclosed from the inability of the Railway administration to account for the non-delivery or pilferage, the burden of proving such misconduct shall lie upon the consignor." The Committee hopes that the alterations proposed in form B would obviate complaints made that the Railways refuse to give information showing how a consignment has been dealt with while in their hands and that they may result in reducing litigation.

Regarding the question of robbery from running trains, the Committee do not consider any special reference to this particular case of loss is necessary. Under their proposals the Railways would be required to lead evidence to account for loss of goods and their liability or non-liability would be determined by evidence. Touching the question of great difference that is said to exist between Railway risk and the owner's risk rates the Committee remarks :—"This matter has been brought prominently to our notice by many members of the trading community by whom it is asserted that the difference is so great that they have no option in face of competition but to book lower rates. On the Railway side it is urged that where special rates are quoted acceptance of risk by owner is only one of considerations for which lower rate is quoted, other considerations being that goods are consigned in large quantities or for long distances, that they are loaded and unloaded by sender and consignee, etc. The question is undoubtedly one of very great importance but we do not consider that it falls within the terms of our reference and we, therefore, refrain from expressing any opinion. The question is one for decision by the rates advisory tribunal if and when it comes into existence.

## NOTE BY MR. SUBRAMANYAM

Mr. Subramanyam in a small note, endorsed by Mr. M. Haniff, remarks :—The time has now come for the good name of the Railways, which after all are public concerns financed and supported by Government, that the obligations of the Railways to the public should be made clearer and much less illusory than it has hitherto been. The common people of this country treat the Railways as a department of Government and the odium created by the conduct of the Railways towards goods and passengers reflects upon the Govt. as well. Taking things as they are, they are altogether wrong. I trust that when these risk-note forms are revised we shall have an opportunity of considering whether the alterations effectuate our recommendations. My reading of the earlier files on this question makes me feel that the present risk-note form has not carried out the desire expressed by Sir John Hewett in one of the files. Much of the trouble with which we are now faced is due to the draftsman of risk-note B.





**Annual Reviews of  
Indian Trade, Industries Etc.**



## TRIENNIAL REVIEW OF Irrigation in India.

The chief characteristics of the Indian rainfall, as is well-known, are its unequal distribution over the country, its irregular distribution throughout the seasons and liability to failure or serious deficiency. The normal annual rainfall varies from 460 inches at Cherrapunji in Assam to less than three inches in Upper Sind. The greatest rainfall actually measured at any station in any one year was 905 inches at Cherrapunji in 1861, while at stations in Upper Sind it has been nil.

The second important characteristic of the rainfall is its unequal distribution. Except in the south east of the peninsula where the heaviest precipitation is received from October to December, by far the greater portion of the rain falls during the south west monsoon, between June and October. During the winter months the rainfall is comparatively small, the normal amount varying from half an inch to two inches, while the hot weather, from March to May or June, is practically rainless. Consequently it happens that in one season of the year the greater part of India is deluged with rain and is the scene of the most wonderful and rapid growth of vegetation; in another period the same tract becomes a dreary, sun-burnt waste. The average annual rainfall over the whole country is about 45 inches and there is but little variation from this average from year to year, the greatest recorded being only about seven inches. But if separate tracts are considered, extraordinary variations are found. At many stations annual rainfalls of less than half the average are not uncommon, while at some less than a quarter of the normal amount has been recorded in a year of extreme drought.

*Government Works* :—The Government irrigation works of India may be divided into two main classes, those provided with artificial storage, and those dependent throughout the year on the natural supplies of the rivers from which they have their origin. In actual fact, practically every irrigation work depends upon storage of one kind or another but, in many cases, this is provided by nature without man's assistance. In Northern India, upon the Himalayan rivers, and in Madras where the cold weather rains are even heavier than those of the south west monsoon, the principal non-storage systems are found.

The expedient of storing water in the monsoon for utilization during the subsequent dry weather has been practised in India

from time immemorial. In their simplest form, such storage work consist of an earthen embankment constructed across a valley or depression behind which the water collects, and those under Government control range from small tanks irrigating only a few acres each to the huge reservoirs now under construction in the Deccan which will be capable of storing over 20 thousand million cubic feet of water. By gradually escaping water from a work of the latter type, a supply can be maintained long after the river on which the reservoir is situated would otherwise be dry and useless.

Government works are divided into the following three classes:—productive, protective, and minor works. The main criterion to be satisfied before a work can be classed as productive is that it shall, within ten years of the completion of construction, produce sufficient revenue to cover its working expenses and the interest charges on its capital cost. Most of the largest irrigation systems in India belong to the productive class.

Protective works are constructed primarily with a view to the protection of precarious tracts and to guard against the necessity for periodical expenditure on the relief of the population in times of famine. They are financed from the current revenues of India generally from the annual grant for famine relief and insurance, and are not directly remunerative, the construction of each such work being separately justified by a comparison of the value of each acre protected (based upon such factors as the probable cost of famine relief, the population of the tract, the area already protected and the minimum area which must be protected in order to tide over a period of severe drought) with the cost of such protection. A sum of Rs. 1,173 lakhs has, up to date, been expended on works of this nature.

It is difficult to define the class of minor works otherwise than by saying that works not classified either as productive or protective are classified as minor works. Nearly a third of the whole area irrigated in India from Government works is effected by these minor works.

*Growth of Irrigation* —The following account is collected from the triennial review of irrigation in India issued by the Irrigation Department of the Government of India in 1922. There has, during the last forty years, been a steady growth in the area irrigated by Government irrigation works. From 10½ million acres in 1878-79 the area annually irrigated rose to 19½ million acres at the beginning of the century and to 28 million acres in 1919-20, the record year up to date, from which figure it fell again to 27 million acres in 1920-21. The main increase has been in the class of productive works which irrigated 4½ million acres in 1878-79, 10½ million

acres in 1900-01 and 18½ million acres in 1919-20. The area irrigated by protective works has increased, in the same period, from nil to over three-quarters of a million acres, that of minor works from 6 million to 8½ million acres.

Some idea of the probable future development of irrigation can be obtained from the forecasts appended to the project estimates of the works now under construction and awaiting sanction. The irrigated area in 1919-20 was over 28 million acres. Schemes completed but which have not yet reached their full development are expected to add about 100,000 acres to this total, while works under construction will further enhance it by 2½ million acres. Projects have also been submitted to the Secretary of State for sanction which, if constructed, will add another 4½ million acres; a total eventual area in British India of about 36 million acres is thus at present contemplated from works sanctioned or awaiting sanction, irrespective of the natural extension of existing areas and of new projects.

The figures given are exclusive of the areas irrigated from the Punjab canals by branches constructed for Indian States which amounted in 1919-20 to 650,000 acres. The Sutlej Valley scheme will add nearly 3½ million acres to this area, so that the gross total amounts to some 40 million acres from Government works.

*Capital and Revenue.*—The total capital invested in the works has risen from Rs. 4,236 lakhs in 1900-01 to Rs. 7,861 lakhs in 1920-21, an average increase of Rs. 180 lakhs a year. As regards revenue the Government irrigation works of India, taken as a whole yield a return of from 7 to 8 per cent. on the capital invested in them; Rs. 1,173 lakhs of the total have been spent on protective works, which return less than 1 per cent. and Rs. 7,03 lakhs on minor works, the yield from which varies between 4 and 6 per cent. The capital outlay also includes expenditure on a number of large works under construction which have not yet commenced to earn revenue.

*Triennial Comparisons.*—The average area irrigated in British India by Government works of all classes was 26½ million acres as compared with 25½ million acres, the average of the previous triennium. The areas for each of the three years were 25,152,451 acres in 1918-19, 28,144,864 acres in 1919-20 and 27,004,321 acres in 1920-21. The area of 1919-20 is the record area irrigated in any one year up to date.

*Productive Works.*—Taking productive works only, the average area irrigated by such works during the triennium was nearly

a million and a quarter acres more than in the previous period, as shown in the following table,—

Provinces.	Average area irrigated in previous triennium 1915-18.	Average area irrigated in triennium 1918-21.
Madras ...	3,499,312	3,576,718
Bombay Deccan ...	31,633	51,178
Sind ...	1,407,654	1,138,261
Bengal ...	85,661	87,169
United Provinces ...	2,799,511	3,115,207
Punjab ...	7,632,536	8,480,798
Burma ...	267,921	312,786
Bihar and Orissa ...	808,528	898,844
Central Provinces ...	53,826	127,374
North-West Frontier Province ...	337,000	355,647
<hr/>		
Total ..	16,923,582	18,143,982
<hr/>		

Taking the productive works as a whole, the capital invested in them was, at the end of 1920-21, Rs. 5,986 lakhs. The net revenue for the year was Rs. 531 lakhs giving a return 8'88 per cent. as compared with 9 per cent. in 1918-19 and 9½ per cent. in 1919-20. In considering these figures it must be remembered that the capital invested includes the expenditure upon several works which have only lately come into operation and others which are under construction which at present contribute little or nothing in the way of revenue; moreover only receipts from water rates and a share of the enhanced land revenue due to the introduction of irrigation are credited to the canals, so that the returns include nothing on account of the large addition to the general revenues of the country which follows in the wake of their construction.

*Protective Works.*—The areas irrigated in the various provinces during the triennium were as below :—

# IRRIGATION IN INDIA

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Provinces.	Average area irrigated in previous triennium 1915-18.	Average area irrigated in triennium 1918-21.
Madras ...	106,676	108,145
Bombay Deccan ...	72,178	137,063
United Provinces ...	169,843	228,418
Bihar and Orissa ...	52,707	87,110
Central Provinces ...	40,544	175,235
Total	441,948	735,971

As to the the financial results of these works the report says that they have at least succeeded in paying their working expenses in each of the three years, and the results of 1920-21 show that they will soon begin to do better although, of course, they are not built with an idea of proving directly remunerative. They represent a capital outlay of 1.173 lakhs and returned '19 per cent. in 1918-19, '37 per cent. in 1919-20 and '94 per cent. in 1920-21. Here, again, the capital account is at present inflated by heavy expenditure on works, especially the two great Deccan storage schemes, which have not yet come into operation. The net revenue obtained rose from Rs. 2 lakhs in 1918-19 to Rs. 4 lakhs in 1919-20 and to over Rs. 11 lakhs in 1920-21.

*Minor Works.*—The results obtained from the minor works are given below. In this case there is a decrease of more than half a million acres below the average for the previous triennium :—

Province	Area irri- gated in 1915-18	Area irri- gated in 1918-21
Madras ...	3,733,100	3,591,394
Bombay Deccan ...	180,321	203,550
Sind ...	2,160,566	1,900,391
Bengal ...	26,878	21,449
United Provinces ...	152,480	158,223
Punjab ...	1,013,959	792,211
Burma ...	1,092,691	1,147,964
Bihar and Orissa ...	1,377	2,414
Central Province ...	16,444	28,942
Rajputana ...	22,992	20,947
Baluchistan ...	9,489	19,776
Total	8,410,297	7,887,261



## TRIENNIAL REVIEW OF

The minor works represent a capital expenditure of Rs. 703 lakhs but, as already explained, no capital account is kept for many of them. Those for which such accounts are maintained returned 5'53 per cent. in 1918-19, 5'35 per cent. in 1919-20 and 4'77 per cent in 1920-21. These figures include the returns of certain canals in Madras and Bengal which have been constructed solely for navigation purposes ; if irrigation works only are considered the corresponding percentages are 8'29, 8'94 and 8'17.

*Irrigated Acreage.*—A comparison between the acreage of crops matured during 1920-21 by means of Government irrigation works with the total area under cultivation is given below :—

Province.	Net area cropped.	Area irrigated by Government irrigation works.	Percentage of area irrigated to total cropped area.	Capital cost of Government irrigation works to end of 1920-21 in lakhs of rupees.	Estimated value of crops raised on areas receiving State irrigation in lakhs of rupees.
Madras ...	37553000	7298000	19·4	1181	4326
Bombay Deccan	21405000	431000	2·0	734	524
Sind ...	3836000	3007000	78·4	338	81·
Bengal ...	23959000	114000	0·5	280	84
United Provinces	34859000	3376000	9·7	1349	2776
Punjab ...	17183000	9569000	55·7	2258	5168
Burma ...	14820000	1449000	9·7	285	560
Bihar and Orissa	24795000	1027000	4·1	631	846
Central Provinces	16531000	339000	2·0	403	244
North-West Frontier Province	2035000	51000	17·7	281	276
Rajputana ..	258000	24000	9·3	35	12
Baluchistan ...	201000	18000	9·0	45	9
Total ...	197544000	27004000	13·7	7820	15641

It will be seen that 14 per cent. of the cropped area was so irrigated and that the value of the crops produced therefrom was more than double the total capital expended on the works. While the comparison between the cost of the works and the value of the crops can be pressed too far, as even in the absence of the canals crops, though in many cases of an inferior quality, would doubtless still have been raised on much of the area, yet the figures are sufficiently striking to be worth quoting especially as it is safe to say that on many millions of acres of the areas affected no crop of any sort could have been grown without the assistance of the canals.

The main fact which emerges from the results of the triennium is that the irrigation systems are capable of functioning with effect in years of extreme drought. This is the crucial test, and the canals have come through it well. In spite of short supplies, irrigation was maintained at its normal figure, a result which only unceasing care and watchfulness can bring about and which, even with such care, could never have been obtained but for the enforcement in the past of strict observance of the policy that fair weather canals shall not be encouraged and that every system shall be so designed that with the application of right economy, it shall be able to do its irrigation even in the most unfavourable years.

### THE SUKKUR BARRAGE

*Projects.*—At the close of the triennium three projects for the Sukkur Barrage and Canals in Sind, for the Sutlej Valley Canals in the Punjab, and for the Damodar Canal in Bengal, were open. The Sukkur Barrage, when completed, will be the greatest work of its kind in the world, measuring 4,725 feet between the faces of the regulators on either side. The total cost of the scheme is estimated at Rs. 1,835 lakhs of which the barrage accounts for about Rs. 569 lakhs and the canals for Rs. 1,266 lakhs. A gross area of  $7\frac{1}{2}$  million acres is commanded of which  $6\frac{1}{2}$  million acres is culturable and an annual area of irrigation of  $5\frac{1}{2}$  million acres is anticipated, of which 2 million acres represents existing inundation irrigation which will be given an assured supply by the new canals. The ultimate annual net revenue forecasted as obtainable from the project, after paying working expenses, is Rs. 194 lakhs, which represents a return of 10½ per cent. on capital. This is the return from water rates alone, but a further large increase in general revenues may safely be reckoned upon from the area of 3 million acres of waste land which will be brought under cultivation. There will be increases on this account under practically every head of revenue, such as railways, customs, stamps, excise and the like, not to mention the addition to the country's wealth owing to the production, on land at present barren, of crops to the value of Rs. 2,500 lakhs per annum.

### THE SUTLEJ VALLEY SCHEME

*The Sutlej Valley Project* consists of four weirs, three on the Sutlej and one on the Panjnad, as the Chenab is called below its junction with the Sutlej, with twelve canals taking off water from above them. The total area to be irrigated from the project is 5,108,000 acres, or nearly 8,000 square miles. Of this 2,075,000 acres will be perennial and 3,033,000 acres non-perennial irrigation.

1,942,000 acres will be in British territory, 2,825,000 acres in Bahawalpur and 341,000 acres in Bikaner.

The total cost of the project is estimated at Rs. 1,460 lakhs. Upon this a return of 12½ per cent. is anticipated from water-rates alone. But the scheme has another, and even more important source of revenue. On the introduction of irrigation, no less than 3½ million acres of desert waste, the property of the three parties concerned, at present valueless, will become available for colonisation and sale. It is customary, in the *pro forma* accounts of irrigation projects, to credit a scheme with the interest on the sale proceeds of Crown waste lands rendered culturable by its construction; if this is included, the annual return on the project will amount to nearly 38 per cent. It bids fair, indeed, to rival the Lower Chenab Canal, the return from which during the past seven years has averaged over 41 per cent.

Review of  
Trade in India 1922-23



# Review of Trade of India

In the last issue of the *REGISTER* the broad features of the Trade of India in 1921 were given. These are collected from the official report on the subject by Mr. C. G. Freke, Director General of Commercial Intelligence, Government of India. The official report, however, is issued very late, about a year after the period of which a review is made. The full official report of 1921-22, issued so late as February 1923, are given in the following pages. The latest official figures of the period 1922-23 are not yet published but the following has been compiled from official sources.

## REVIEW OF TRADE 1922-23

The outstanding characteristic of the last year's trade is a reversion to the normal character of our foreign trade,—namely, an excess of exports over imports. While in 1920-21 and 1921-22 there was a trade balance *against* us of 99'49 and 31'76 crores respectively, in the year under review there was a balance in our *favour* of 71'45 crores. This is in accordance with the general character of our foreign trade from times immemorial; and the fact is all the more gratifying when we remember that this balance is a balance including Government transactions in respect of stores. The true significance of this balance in our favour is, however, bound to be obscured owing to the continued preponderance and steady increase in the so-called "Home" charges. According to the statement B annexed to the last Budget, the "Home" charges of the Government of India alone amounted to as follows:—

Year.	In crores		
	Rs.		
1921-22	...	...	46.23
1922-23	...	...	48.27
1923-24	...	...	46.06

These do not include the "Home" charges of the Provincial Governments, nor the remittances of private foreigners engaged in business pursuit or otherwise in India. Assuming that the "Home" charges of all the Governments aggregate 55 crores in round figures and assuming that the drain through private remittances by way of interest on foreign capital invested in India amounts, as has been estimated by a competent authority, to 35 crores, we must make up a total excess of exports of close upon 90 crores a year

to maintain our national solvency. We cannot possibly do this—unless, at least, the fiscal policy undergoes a radical orientation so as to safeguard the interests of this country against the insidious effects of this politico-economic drain. The result is unavoidable, and may be traced in the heavy annual foreign borrowings—the last of its kind being that announced in May 1923 to the extent of 21 millions pounds. While this drain lasts, it is hopeless to re-establish the well-being of India,—industrial or commercial—or to expect even such minor reforms as the re-adjustment of the currency system, which, as it obtains to-day, is manipulated to suit the interests of the existing organisations but is utterly inconsistent with the economic development of this country:

The figures given below are interesting as showing that the manufactures still remain the most important item on the import side constituting nearly 75 per cent. of the total import trade while raw materials combined with food stuffs make the most considerable section on the export side. Arranged in their order of importance, the ten chief articles in the last year's trade are among imports: cotton manufactures, machinery and belting, iron and steel goods, sugar, railway plant and rolling stocks, other metals, metallic ores and scrap, cutlery and hardware, dyes and colours, chemicals and drugs. And among exports: raw cotton, grains, pulse and flour, jute manufactures, seeds, raw jute, tea, cotton manufactures, gum, raisin and lac, hides and skin (raw), and hides and skin (manufactured). If we compare the three years' figures, the above order would of course not be maintained, though the general magnitude of each of these articles remains unaltered. Sugar, for instance, has suffered considerable vicissitudes, changing from second to the fourth place in the list of imports; while tea on the export side is a notable example of similar variation. Tea, grain, and seeds show a continued increase in value on the export side; and if we allow for the recent fall in prices, the increase in quantities must be much greater. The variation, again, in the values of the exported raw cotton and jute is most suggestive. From 42'19 crores exported in 1920-21 to 72'07 crores in 1922-23 is a very considerable variation in cotton, not at all covered by a corresponding increase in the quantity exported. The explanation is probably to be found in the overwhelming preponderance of speculation which has demoralised for some years past this branch of our trade. The contrast is the more suggestive when we compare the figures of values of raw cotton exports with those of the imports as well as exports of the cotton manufactures. The exports of Indian cotton manufactures have declined from 18'27 crores in 1920-21 to 15'06 in 1922-23; while the imports of cotton manufactures have grown from 56'93 crores in 1921-22 to 70'13 crores in 1922-23.

Is the Indian cotton industry losing ground? If we recall the recent speech of the chairman of the Bombay Millowners' Association or consider the present strike of the mill-operatives at Ahmedabad, the conclusion seems to be very disconcerting for the present and future of the cotton industry. The situation in the case of jute is a little—only a little—more reassuring. For, the exports of the jute manufactures were as follows:—

1920-21	...	...	...	52'99
1921-22	...	...	...	29'99
1922-23	...	...	...	40'50

The recovery noticeable last year is the more important as the price in the meanwhile have fallen, and so the quantity indicated by these value figures must be larger. On the other hand, the exports of raw jutes have grown by nearly 60 per cent. in the last as compared with the preceeding year, thereby indicating a very considerable drain of our raw material for manufacture abroad which might well have remained and been manufactured in the country itself. Salient features like those of the foreign trade of India could be selected *ad infinitum* to illustrate the principle that a conscious and deliberate, superintending direction and guidance of the trade, and, its background, the industry of the country has not yet claimed, and much less obtained, that degree of attention from the Government of the country which their importance demands. (*The Bombay Chronicle*).



The following table sets forth the details of Imports  
and Exports in 1922-23.

IMPORTS			1922-23
			Rs.
<b>I.—FOOD, DRINK &amp; TOBACCO—</b>			
Fish (excluding canned fish) ...	...	...	24,29,949
Fruits and Vegetables ...	...	...	1,83,57,258
Grain, Pulse, and Flour ...	...	...	54,32,031
Liquors ...	...	...	3,00,93,570
Provisions and Oilman's Stores ...	...	...	2,77,30,379
Spices ...	...	...	2,44,54,233
Sugar ...	...	...	15,48,89,968
Tea ...	...	...	45,52,265
Other Food and Drink ...	...	...	1,93,87,376
Tobacco ...	...	...	2,25,67,007
			-----
Total ...	...	...	30,98,94,045
			-----
<b>II.—RAW MATERIALS, AND PRODUCE AND ARTICLES MAINLY UNMANUFACTURED—</b>			
Coal ...	...	...	3,08,92,733
Other Non-metallic Mining quarry products and the like ...	...	...	2,62,69,383
Fodder, etc. ...	...	...	96,798
Gum, Resin and Lac ...	...	...	57,95,251
Hides and Skins (raw) ...	...	...	9,77,183
Metallic Ores and Scrap Iron or Steel for remanufacture ...	...	...	1,25,458
Oils, Vegetable, etc. ...	...	...	6,89,15,530
Oil Cakes ...	...	...	10,446
Paper-making Materials ...	...	...	24,25,837
Rubber ...	...	...	421
Seeds ...	...	...	4,54,157
Tallow, Stearine, and Wax ...	...	...	27,21,058
Textiles—Cotton, raw & waste ...	...	...	1,73,41,612
Do. Jute, raw ...	...	...	6,200

1923]

## THE TRADE OF INDIA

Textiles—Silk, raw & waste	1,05,82,645
Do. Wool, raw	13,04,629
Do. Other Materials	5,65,291
Wood and Timber	49,18,364
Miscellaneous ...	58,06,491

Total 18,46,59,387

### III.—ARTICLES WHOLLY OR MAINLY

#### MANUFACTURED—

Apparel ... ..	1,27,14,290
Arms, Ammunition and Military Stores ...	62,82,839
Chemicals, Drugs and Medicines ...	3,92,02,725
Cutlery, Hardware, Implements and Instruments (excluding Electrical Instruments and Apparatus) ... ..	6,73,48,356
Dyes and Colours ... ..	4,23,20,363
Electrical Goods and Apparatus ...	2,14,10,867
Furniture, Cabinetware and manufactures of wood ... ..	25,85,856
Glassware and Earthenware ... ..	3,37,82,077
Hides and Skins, tanned or dressed, Leather	52,39,343
Machinery of all kinds including belting for machinery ... ..	24,42,83,282
Metals, Iron and Steel and manufactures ...	18,36,13,356
Metals other than Iron and Steel and Manufactures ... ..	6,91,87,914
Paper, Pasteboard, and Stationery ...	3,70,41,196
Railway Plant and Rolling Stock ...	11,05,80,847
Rubber Manufactures ... ..	1,80,19,646
Vehicles (excluding locomotives for Railways)	3,42,56,501
Textiles—Cotton Yarns and Manufactures	70,13,02,032
Textiles—Jute Yarns and Manufactures ...	16,79,300
Textiles—Silk Yarns and Manufactures ..	3,16,54,472
Textiles—Wool Yarns and Manufactures ...	1,51,56,436
Textiles—Other Yarns and Fabrics ...	1,60,62,820
Miscellaneous ... ..	10,03,17,028

Total

1,79,40,40,545

**IV.—LIVING ANIMALS—**

Horses	...	...	24,53,585
Other living animals	...	...	1,29,048

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Total	...	25,82,633
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<b>V.—POSTAL ARTICLES NOT SPECIFIED</b>	...	3,47,28,325
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Total	...	2,32,59,04,935
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Government Stores	...	11,71,45,746
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<b>GRAND TOTAL</b>	...	2,44,30,50,681
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**EXPORTS.**

1922-23

Rs.

**TOTAL FOREIGN MERCHANDISE**

INDIAN MERCHANDISE—	...	15,16,30,827
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**I.—FOOD, DRINK & TOBACCO—**

Fish (excluding canned fish)	...	54,25,327
Fruits and Vegetables	...	63,11,819
Grain, Pulse, and flour	...	42,47,63,223
Liquors	...	49,418
Provisions and Oilman's Stores	...	60,91,640
Spices	...	1,09,79,949
Sugar	...	10,48,839
Tea	...	21,88,07,526
Other Food and Drink	...	1,24,74,230
Tobacco	...	82,67,812

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Total	...	69,42,19,783
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**II.—RAW MATERIALS, AND PRODUCE AND ARTICLES MAINLY UN-MANUFACTURED.**

Coal	...	14,52,131
Other Non-metallic Mining quarry products and the like	...	62,35,975

Fodder etc.	...	...	1,26,25,369
Gum, Resin and Lac	...	...	70,37,27,584
Hides and Skins, (Raw)	...	...	5,70,60,201
Metallic Ores and Scrap Iron or Steel for re-			
manufacture	...	...	2,26,10,442
Oils, Vegetable, etc.	...	...	3,19,81,409
Oil Cakes	...	...	1,72,24,999
Paper-making Materials	...	...	1,251
Rubber	...	...	72,50,093
Seeds	...	...	27,35,39,162
Tallow, Stearine, and Wax	...	...	8,75,505
Textiles—Cotton, raw & waste			72,07,18,919
Do. Jute, raw & waste			22,52,86,095
Do. Silk, raw & waste	...	...	38,17,258
Do. Wool, raw	...	...	4,41,43,267
Do. Other Materials	...	...	61,08,264
Wood and Timber	...	...	94,02,714
Miscellaneous	...	...	2,10,61,898
Total			1,56,51,22,737

## III.—ARTICLES WHOLLY OR MAINLY

## MANUFACTURED—

Apparel	...	...	27,52,933
Arms, Ammunition and Military Stores	...	...	3,532
Chemicals, Drugs and Medicines	...	...	3,07,51,884
Cutlery, Hardware, Implements and Instru-			
ments (excluding Electrical instruments			
and Apparatus)	...	...	9,28,322
Dyes and Colours	...	...	1,20,69,826
Electrical Goods and Apparatus	...	...	
Furniture, Cabinetware and manufactures			
of wood	...	...	8,84,723
Glassware and Earthenware	...	...	3,95,853
Hides and Skins, tanned or dressed or			
Leather	...	...	5,16,07,176
Machinery of all kinds including belting for			
machinery	...	...	47,038
Metals, Iron and Steel and Manufactures...			93,95,890
Metals, other than Iron and Steel and			
manufactures	...	...	1,63,62,350
Paper, Pasteboard and Machinery	...	...	1,03,188
Railway	...	...	2,34,541
Rubber	...	...	9,331

Vehicles (excluding locomotives for Railways, ... ..)	73,015
Textiles—Cotton Yarns and Manufactures	13,06,21,869
Textiles—Jute Yarns and Manufactures ...	40,49,99,381
Textiles—Silk Yarns and Manufactures ...	2,42,956
Textiles—Wool Yarns and Manufactures ...	98,41,387
Textiles—Other Yarns and Fabrica ...	6,29,599
Miscellaneous ... ..	3,16,73,186
Total ...	<u>70,46,27,982</u>

## IV.—LIVING ANIMALS—

Horses ... ..	1,10,785
Cattle ... ..	8,28,912
Sheep and Goats ... ..	11,25,513
Other living animals ... ..	2,63,334
Total ...	<u>23,28,544</u>

V.—POSTAL ARTICLES ... ..	2,21,68,697
Total ...	<u>2,98,84,67,743</u>

Government Stores ... ..	1,74,64,717
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GRAND TOTAL ...	<u>3,15,76,63,287</u>
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# Review of The Trade of India in 1921-22

## CHAPTER I—General

The year under review will rank as a classical example of what trade-cycle economists characterise as the readjustment period. The war was succeeded in India, as in most other parts of the world, by a period of exceptionally flourishing trade and intense industrial activity. The pace was too fast and it was inevitable that the boom should be succeeded by a slump, before business could be re-established upon a firm and normal basis, and indications of this slump were clearly apparent in the latter part of 1920-21. That year was one of sharp contrast between the boom conditions of the early months and the liquidation of the latter part of the year, but 1921-22 was a year of unrelieved depression, of hand-to-mouth buying by the consuming trades and of resigned patience on the part of traders and their financiers. It was only during the closing months that any reliable indications were noticeable that the downward trend was being checked and that trade conditions were tending to become stable. The year opened with heavy stocks on hand of most of the commodities which India imports, and throughout the year most of the markets to which the exports were lacking in purchasing power to such an extent that her exports were seriously curtailed. Consequently she had difficulty in absorbing old stocks of imports and showed very little demand for new supplies. In 1913-14 fifty-eight per cent of her export trade was with European countries, so that their economic exhaustion and the collapse of European exchanges fully explain the serious diminution in Indian exports. Even in the United Kingdom and the United States of America, which were far from being so exhausted as Central Europe, the general fall in prices and correspondingly reduced purchasing power seriously diminished demands for Indian goods. Signs of improved demand were apparent towards the end of the year, but it is obvious that any real recovery is contingent upon the stabilisation of exchanges and the settlement of such burning questions of international politics as the reparations and allied debts. The movements of index numbers during the year in the United Kingdom, the United States of America, and Japan, the countries which are India's best customers, indicated an equation of supply and demand, towards the end of the year in the United Kingdom but rather earlier in the United States and Japan. The Statist index number

for the United Kingdom fell steadily from 170 in April to 132 in February, after which it began to rise. The Bradstreet number for the United States of America reached its lowest point in May, 10'6, after which it rose again steadily to 11'5 in March. The index number of the Bank of Japan recorded its minimum at 251 in April, after which it rose to 290 in October and fell again to 266 in March. These figures may be compared with the corresponding figures for April 1920 which were 266 for the United Kingdom, 20'7 for the U. S. A. and 397 for Japan. Two factors which seriously hampered business throughout the year were the falling tendency of prices and the instability of exchange. The former was particularly noticeable on the import side and forced importers to purchase only for immediate requirements. Instability of exchange is obviously a serious handicap on overseas trade, import or export. Apart from the variations in Continental exchanges, the sterling value of the rupee fluctuated from 1s. 3½d. at the beginning of the year to 1s. 5½d. in September, from which point it fell back again to 1s. 3-three sixteenth pence in March. The figures relating to overseas trade are very substantially lower than those for the preceding year, but a considerable part of the decrease was due to the heavy fall in prices. The following figures have been compiled to show the values of imports and exports, of merchandise only, on the basis of declared values in 1913-14. These statistics are necessarily approximate, but they are sufficiently accurate to afford a reliable measure of the course of trade.

				(in crores of rupees)			
				1913-14	1919-20	1920-21	1921-22
Imports	...	...	183	101	142	124	
Exports	...	...	244	198	172	182	
				—	—	—	—
Total trade in merchandise ex-							
cluding re-exports	...	427	299	314	307		

The balance of trade figures shown in chart No. 3 appear to have been very much more adverse than they really were, on account of the time-lag inherent in statistical returns of overseas trade. Orders for imports are necessarily placed some time before those imports arrive, particularly in the case of such goods as machinery and railway materials. Consequently, at a time of steadily falling prices, figures of the import trade represent orders placed some time earlier and at higher price-levels than the exports recorded at the custom-houses for the same months. It has also to be remembered that freight and insurance charges appear in the import figures and not in the export figures.

On the import side wheat, sugar, machinery, and railway materials were striking exceptions to a general downward trend. The shortage of Indian wheat was made good by unprecedented importations from Australia and America. Sugar prices were reduced so considerably as to enable India to build up her depleted reserves again. Machinery and railway materials represent capital expenditure and consequently contract less promptly in periods of trade depression than do articles of consumption. Orders for these resulted partly from industrial development subsequent to the war and partly from the necessity of replacing worn-out stocks. Drastic reductions in the price of English coal led to large importations on the Western side. Deducting these five heads, the value of the rest of the imports of private merchandise fell by 39 per cent from Rs. 280 crores to Rs. 171 crores. Of this decrease cotton piece-goods accounted for Rs. 41 crores, falling from Rs. 84 crores to Rs. 43 crores, a decrease which was partly due to a fall in quantity but also very largely to a fall in values. Prices would have fallen in any event, but energetic picketting on behalf of the boycott campaign increased the tendency.

On the export side the effects of the bad monsoon in 1920 were still noticeable, but the chief factor was lack of foreign demand. Jute and gunnies are usually the most important. These owing to lesser shipments and greatly reduced prices fell from Rs. 69 crores to Rs. 44 crores. Tea, which had suffered such a serious depression in 1920-21, made a great recovery, both as regards quantity shipped and prices realised. Cotton experienced an improved demand, particularly from Japan. The demand for oil-seeds improved slightly, but, owing to lack of purchasing power in Central Europe, the demand was much less than might have been expected. Towards the end of the year increased overseas demand was apparent, particularly for oilseeds, and a good monsoon resulted in lower prices of foodstuffs and the cessation of imports of foreign grains and stimulated the demand for other commodities. But the restoration of normal conditions remains dependent upon the full recovery of India's former markets in Europe.

In common with other trades, shipping encountered one of the greatest slumps in the world's history. At the end of the year freight space was enormously in excess of the demand and rates were, throughout the world, from 25 to 50 per cent below those current at the beginning of the year. The Statist index-number of shipping freight fell from 46·3 in January 1921 to 29·8 in November, whence it improved to 33·3 in March. And the corresponding time-charter rate fell from 59·8 in January 1921 to 29·9 in October, a nominal rate at which it then remained. Owing to



the strenuous competition of German and Dutch with British shipping lines for the small cargoes that were offering, freight rates between Indian and European ports were drastically reduced. For details regarding outward rates from Indian ports, the reader is invited to turn to Table No. 51.

In March 1921 the general rate of import duty was raised from  $7\frac{1}{2}$  to 11 per cent. But importations during the year were so entirely controlled by major influences, particularly the reduced purchasing power of the country as a whole, that it is impossible to ascribe any particular changes in trade solely to the increase in import duties. In March 1922 this general rate was raised to 15 per cent. Railway plant and iron and steel sections were raised from  $2\frac{1}{2}$  to 10 per cent, Machinery, however, being retained at the lower rate. The rate on "luxury" articles was also increased from 20 to 30 per cent. Up to the time of writing the conditions of general trade depression have dominated the situation entirely and the real effect of these increases in duty yet remains to be seen.

The year under review has been marked by serious repression and stagnation in most lines of trade. But, although it has been a very poor year for overseas trade, it has, at the same time, amply demonstrated the soundness of the country's commercial system. Failures of individual firms have been few. Labour troubles have seldom been serious or widespread. Exchange has fluctuated between very much narrower limits than the exchange of most other countries. And, in spite of a return from circulation of Rs. 11 crores in silver, the note issue was increased by Rs. 8 crores only, from Rs. 167 in April 1921 to Rs. 175 crores in March 1922, and its metallic backing was increased from  $54\frac{1}{2}$  per cent to 58 per cent. The general position is thus eminently sound and a healthy industrial and commercial expansion only awaits an improvement in international trade as a whole.

## CHAPTER II—Imports of Merchandise

*Cotton Manufactures.*—Prices of raw cotton in America dominate the world's piecegoods markets, and of these the price of Middling American at New Orleans is a sound index. After its sensational fall during 1920-21 from 48 to 11 cents it was generally felt that it must have touched bottom. But, after a rally in May to  $11\frac{1}{2}$  cents, it fell further to  $10\frac{1}{2}$  cents in June, and the cotton season closed in July with a quotation of 11 cents. The new season opened in August at  $14\frac{1}{2}$  cents, owing to anticipation of a crop shortage, and the striking under-estimate published by the American Agricultural Bureau in that month sent prices rapidly upwards. After touching  $20\frac{1}{2}$  cents in September, Middling American fell gradually

to 15 cents at the end of January, after which it firmed up and closed at 16½ cents on 31st March. The sharp rise in prices in August-September led merchants to believe that cloth and yarn prices would not fall further and the orders placed in those months for India were reflected in higher imports during October and November, the promptness of arrival being symptomatic of the slackness of trade conditions in Manchester.

Reference was made in last year's REVIEW to the conditions occasioned in Indian piecegoods markets by the fall of exchange and the inability of a number of piecegoods merchants in India to meet the heavy losses resulting from the combination of a fall in rupee prices and a fall in exchange. As a consequence of those difficulties Indian distributing centres were seriously overstocked at the beginning of the year, and further shipments of goods purchased at high prices added to the congestion in the earlier months. And the leading piecegoods merchants' Associations, hoping against hope that the rupee would soon rise to the illusive two-shilling-level, reiterated resolutions forbidding their members to settle contracts except at that rate, and imposing fines on any members who did so. Despite these resolutions settlements were arrived at in most cases during the course of the year and those left over at the end of 1921-22 consisted almost entirely of a small gambling residue from the post-war boom. Another factor which seriously affected piecegoods importations during the year under review was the vigorous revival, particularly on the Western side of the campaign in favour of Indian-made piecegoods reinforced by a further development in favour of the wearing of home-woven goods made from Indian handspun yarn. This latter development was reflected also in greater imports of twist and yarn, the imported yarns, spun from longer-stapled Egyptian and American cotton, being more suitable for handweaving than yarn spun from Indian cotton. But the outstanding factor which really controlled the consumption of both imported and Indian-made piecegoods was the seriously reduced purchasing power of the country in general. Reference has been made to this factor generally and piecegoods figures afford a striking illustration, as the bulk of the goods bought was of the grey (unbleached) variety and appreciable reductions in price produced very little increase in demand, thus showing that consumption was limited almost entirely to minimum clothing requirements.

The total imports of cotton manufactures decreased in value from Rs. 102 crores in 1920-21 to Rs. 57 crores in 1921-22, as compared with Rs. 66 crores in 1913-14 despite the fact that the prices of all classes of goods were more than double pre-war prices. These values represent respectively 30, 21 and 36 per cent of India's total

imports during each of the years specified. Particulars of the different classes of cotton manufactures are given below with values during the past years and the pre-war year :—

Imports of Cotton manufactures.		1913-14	1919-20.	1920-21.	1921-22.
		(pre-war year.)			
		Rs. (lakhs.)	Rs. (lakhs.)	Rs. (lakhs.)	Rs. (lakhs.)
Twist and yarn	...	4.16	4.36	13.58	11.51
Piece goods—					
Grey (unbleached)	...	25.45	22.52	26.45	22.65
White (bleached)	...	14.29	15.96	21.90	12.67
Coloured, printed, or dyed	...	17.86	12.75	34.57	7.59
Fents of all descriptions...	...	54	53	86	25
TOTAL PIECE GOODS	...	58.14	51.76	83.78	43.16
Hosiery	...	1.20	1.45	1.91	63
Handkerchiefs	...	89	17	47	10
Thread	...	39	50	91	72
Other sorts	...	1.52	84	1.47	82
GRAND TOTAL	...	66.30	59.08	1,02.12	56.94

Imports of cotton twist and yarn again increased considerably in quantity from 47 million lbs in 1920-21 to 57 million lbs as compared with an average of 42 million lbs in the five years 1909-10 to 1913-14. Average values decreased considerably from Rs. 2.13-11 in 1920-21 to Rs. 2.0-3 in 1921-22 as compared with annas 15-1, in 1913-14. The following table compares the quantities of imported yarn with quantities produced in Indian mills over a period of years :—

Annual average—		Imports.	Indian mills
			production.
		lbs.	lbs.
		(1,000)	(1,000)
Five years ending 1908-09	..	38,573	641,776
" " " 1913-14 (per war)	..	41,794	646,757
" " " 1918-19 (war period)	..	34,063	666,227
Year 1913-14 (pre-war)	..	44,171	682,777
" 1914-15	..	42,864	651,985
" 1915-16	..	40,427	722,425
" 1916-17	..	29,530	681,107
" 1917-18	..	19,400	660,576
" 1918-19	..	38,095	615,040
" 1919-20	..	15,097	635,760
" 1920-21	..	47,333	660,003
" 1921-22	..	57,125	692,313

The following table compares by counts the quantities of imported cotton twist and yarn with the quantities produced in the Indian mills :—

	1913-14 (PRE-WAR YEAR)		1919-20		1920-21		1921-22	
	Imports,	Production,	Imports	Production.	Imports	Production.	Imports	Production,
	lbs. (1,000)	lbs (1,000)	lbs (1,000)	lbs (1,000)	lbs (1,000)	lbs (1,000)	lbs (1,000)	lbs (1,000)
Cotton twist and yarn—								
No. 1 to 20 ..	1,254	492,693	458	431,188	7,591	443,473	6,961	469,370
" 21 to 25 ..	896	123,995	340	132,815	432	148,478	1,219	150,579
" 26 to 30 ..	3,686	42,999	657	50,842	3,757	50,613	4,238	52,588
" 31 to 40 ..	23,657	19,712	6,852	17,080	22,842	15,024	26,741	16,900
Above No. 40 ..	7,859	2,699	3,592	3,560	5,020	2,067	8,881	2,389
Grey and coloured two folds (doubles) ..	....	....	1,288	....	4,244	....	5,746	....
Unspecified descriptions and waste ..	6,819	679	1,900	275	3,447	355	3,339	492
TOTAL ..	44,171	682,777	15,097	635,760	47,333	660,003	57,125	592,313

There was again a striking increase in imports of 31's and over, from 28 million lbs in 1920-21 to 36 million lbs in 1921-22— this is the class of yarn most suited to handlooms and it is noticeable that very little of the increase in total production of the Indian mills was of the higher counts. The sum-total of imports and production exceeded the figure for 1913-14 by 22 million lbs. Of the imports 70 per cent came from the United Kingdom and 26 per cent from Japan. The corresponding percentages were for 1920-21, 49 and 43, for 1919-20, 81 and 13, and for 1913-14, 86 and 2. During the year under review Japanese yarn exporters concentrated more on the Chinese market, about which a reference is invited to the corresponding section in Chapter III.

Among imported cotton piecegoods the most striking feature was the preponderance of grey goods and the very small quantity of coloured, printed and dyed goods imported. The following table compares the imports of grey, white, and coloured goods during each of the last nine years in million yards and it illustrates strikingly both the reduction in total demand and the concentration on the cheapest and most economical class, namely, grey goods :—

			Grey (unbleached)	White (bleached)	Coloured, printed or dyed
			Million yards	Million yards	Million yards
Year	1913-14	...	1,534'2	793'3	831'8
"	1914-15	...	1,320'2	604'2	494'8
"	1915-16	...	1,148'2	611'4	358'7
"	1916-17	...	847'0	589'8	454'9
"	1917-18	...	625'5	502'3	395'6
"	1918-19	...	583'4	286'6	227'3
"	1919-20	...	533'3	322'0	208'3
"	1920-21	...	580'2	421'8	489'3
"	1921-22	...	635'6	306'2	138'3

The following table showing the declared values per yard of grey, white and coloured goods during the last four years and in 1913-14 illustrates the fact that considerably reduced price quotations were unable to stimulate demand :—

*Declared value per Yard.*

Cotton Piece goods.	1913-14.			1918-19.			1919-20.			1920-21.			1921-22		
	R.	A.	P.	R.	A.	P.	R.	A.	P.	R.	A.	P.	R.	A.	P.
Grey (unbleached)	0	8	0	6	6	0	6	9	0	7	0	0	5	8	
White (bleached)	0	11	0	7	4	0	7	11	0	8			6		
Coloured, printed, or dyed	0	5	0	8	4	0	9	10	0	11			8		

The principal varieties of each of the three main classes of imported piecegoods are given below with particulars (in million yds.) of imports during 1913-14, 1920-21 and 1921-22 :—

Grey (unbleached)	1913-14	1920-21	1921-22.
	(pre-war year)		
Dhulis saris and scarves	806·1	291·2	383·4
Jaconets, madapollams, mulls, etc.	150·4	39·1	55·2
Longcloth and shirtings	545·4	181·9	129·4
Sheetings ..	·2	46·4	50·2
Drills and jeans ..	21·3	17·6	16·1
Other sorts ..	10·8	4·0	1·3
<b>TOTAL</b> ..	<b>1,534·2</b>	<b>580·2</b>	<b>635·6</b>

White (bleached)	1913-14	1920-21	1921-22
	(pre-war year)		
Dhulis, saris and scarves ..	104·3	35·7	31·9
Jaconets, madapollams, mulls, etc.,	307·9	105·5	144·0
Longcloth and shirtings ..	115·3	108·5	48·2
Nainsooks ..	204·7	121·7	67·6
Drills and jeans ..	5·7	6·3	2·0
Checks, spots and stripes ..	16·1	8·9	1·5
Twills ..	8·3	13·4	3·3
Other sorts ..	31·0	21·8	7·7
<b>TOTAL</b> ..	<b>793·3</b>	<b>421·8</b>	<b>306·2</b>

Coloured printed or dyed	1913-14	1920-21	1921-22
	(pre-war year)		
Dhulis, saris and scarves ..	115·2	42·4	23·2
Cambrics, etc. ..	113·6	54·3	17·7
Shirtings ..	152·6	71·6	25·0
Prints and chintz ..	209·7	114·7	28·7
Drills and jeans ..	30·0	19·3	9·6
Checks, spots and stripes ..	19·7	13·5	3·7
Twills ..	31·4	31·2	5·8
Other sorts ..	159·6	142·3	24·6
<b>TOTAL</b>	<b>831·8</b>	<b>489·3</b>	<b>138·3</b>

While dhutis and saris were taken in appreciably larger quantities than in 1920-21, the imports of long cloth and shirtings and twills were as markedly reduced.

The following table shows the percentage shares of the United Kingdom and Japan in piecegoods imports during 1913-14 and each of the last three years :

*Percentage share of the United Kingdom and Japan in the imports of Cotton Piecegoods.*

	1913-14			1919-20			1920-21			1921-22		
	United Kingdom	Japan	United Kingdom	United Kingdom	Japan	United Kingdom	United Kingdom	Japan	United Kingdom	Japan	United Kingdom	Japan
Cotton, piecegoods grey	98.8	.5	87.1	11.8	72.4	82.8	13.1					
" " white	98.5	..	96.6	.9	96.9	97.8	.6					
" " coloured	92.6	.2	89.9	5.0	91.8	88.0	3.6					

Compared with last year the United Kingdom has considerably improved her position in Indian markets *vis a vis* Japan. Under grey goods a striking feature of the year was the importation of 21 million yards from the United States as compared with 8 million yards in 1920-21 and 5 million yards in 1919-20 and an average of 10 million yards in the five years 1909-10 to 1913-14. A certain amount of grey cloth, both imported and Indian mill-made, was sold upcountry as Khaddar. But this was a very minor factor in the increased demand for grey goods. Imports of white and coloured goods from the Netherlands were reduced but she improved her position *vis-a-vis* other countries. Switzerland lost ground in both classes, imports of white goods from that country being very small.

The following represent the shares of the principal countries in the aggregate import trade in piecegoods to India :—

*Percentage shares in the total quantities of Piecegoods imported.*

		1913-14	1919-20	1920-21	1921-22
United Kingdom	..	97.1	90.3	85.6	87.6
Japan	..	3	7.0	11.3	8.3
United States	..	3	9	9	2.1
Netherlands	..	8	7	9	1.1
other countries	..	1.5	1.1	1.3	9
TOTAL		100	100	100	160

Imports of hosiery decreased markedly from R 1,91 lakhs in 1920-21 to R 63 lakhs in 1921-22, of which Japan supplied R 45 lakhs.

*Sugar*, which in 1920-21 fell back to fourth place in India's import trade, resumed in 1921-22 its 1913-14 position of third, with a total import value of R27½ crores, to cotton manufactures (R57 crores) and machinery (R35 crores). And India resumed her pre-war normal position as the third largest importer of sugar in the world, the United States of America and the United Kingdom being, as usual, the largest and second largest. During the last two years India has been brought more directly in touch with world sugar-markets at New York and London than she had been for many years past. In 1920-21, owing to fears of serious shortage and anticipation of considerably increased consumption following the introduction of prohibition, American dealers feverishly bought up surplus stocks in all parts of the world. Prices soared to unprecedented heights and for some time raw sugar prices in America were higher than those of refined sugar. These high prices led India to curtail her purchases and even to re-export Java and Mauritius sugars to America and Europe. For these reasons, stocks of sugar in India were exceptionally low at the beginning of the year under review.

During the period of high prices in 1920 increased areas of sugar-cane were planted in Cuba and many new factories erected. In the early part of 1921, when the American sugar-boom had spent itself and it became clear that demand had been considerably over-estimated, heavy stocks hung on the hands of American dealers and the over-stimulated production of Cuba brought world prices down with a run. Cuban sugar not only flooded its normal markets but found its way into markets further afield and forced Java sugar to



restrict itself to its regular markets in the East. For these reasons ample supplies of Java sugar were available at steadily falling prices and imports from that source were three times as great as last year and exceeded the pre-war average. Of the Java sugar imports (including imports from the Straits Settlements, which are merely forwarding agents for Java sugar), amounting to 628,400 tons, Bengal took 348,700 tons or 55 per cent, Bombay 92,200 tons or 15 per cent, Karachi 158,600 tons or 25 per cent, Madras 10,600 tons or 2 per cent and Burma 18,300 tons or 3 per cent.

The British Royal Commission on Sugar Supply bought its operations to a close at the end of February 1921 and this released Mauritius sugar supplies from control. The Mauritius crop was a bumper one and, although imports from that source during the first half of the year were comparatively small, from October onwards they reached the high figure of 55,600 tons. Total imports from Mauritius increased from 11,600 tons in 1920-21 to 61,600 tons in 1921-22 of which 89 per cent was received at Bombay and nearly 11 per cent at Karachi. This figure was, however, still below the pre-war average.

The principal source of India's foreign sugar supplies are shown in the following table :—

*Imports of Sugar (excluding molasses and confectionery).*

	1913-14 (pre-war year)	1918-19	1919-20	1920-21	1921-22
	Tons	Tons	Tons	Tons	Tons
Java ..	583,000	363,100	349,600	201,600	623,300
Mauritius ..	139,600	77,200	23,500	11,600	61,600
Straits Settlements ..	2,900	62,100	18,100	9,000	5,100
China (including Hongkong)	1,500	2,500	12,100	5,900	4,400
Egypt ..	100	900	3,300	4,200	200
Japan ..	100	400	1,400	100	600
Germany ..	700	..	..	100	100
Austria ..	74,000	..	..	..	..
Hungary ..	..	..	..	1,600	2,000
Netherlands ..	..	..	500	1,600	12,800
Belgium ..	..	100	100	200	2,800
United States ..	..	..	100	1,000	4,700
Other countries ..	1,100	..	100	..	..
<b>Total (all countries) ..</b>	<b>803,000</b>	<b>506,700</b>	<b>408,700</b>	<b>236,900</b>	<b>717,600</b>
<b>Value (Rs. lakhs)</b>	<b>14.29</b>	<b>15.37</b>	<b>21.84</b>	<b>16.99</b>	<b>26.78</b>

It will be noticed therefrom that imports from China decreased still further and that Egypt this year fell to her normal pre-war position of unimportance as a supplier of sugar to this market. Imports of beet sugar increased from 1,766 tons to 13,700 tons of which Bombay took 7,700 tons and Karachi 5,900, the principal sources of supply being Belgium and the Netherlands. A striking feature of the year was the first appearance in Indian markets of American refined sugar, of which 1,830 tons were received in March, and a further 9,200 tons during April and May 1922, the bulk being imported at Karachi. The explanation of this has been given above and, so far as one can see at present, this is not likely to develop into a permanent feature of the Indian import trade.

The average declared value per cwt of sugar, 16, D. S. and above, which had reached its zenith of 35-14 in the previous year fell to R. 18-11, a decrease of 48 per cent. In order to see the relation of prices in India to general world-prices it is interesting to compare in the following chart monthly prices during 1920-22 of Cuban raw sugar in New York and the average net values of imported sugar, Java 23 D. S. and above in India.

Price fell steadily (except for a slight rally in July) from April 1921, when for Java and Mauritius sugars the Calcutta market prices were R. 26-8 and R. 26 per maund and Bombay R. 39-4 and R. 39-6 per cwt, until December which marked the lowest level of the year, with Calcutta prices for Java and Mauritius sugars R. 12-8 and R. 12-2 per maund and Bombay prices Rs. 19-4 and 19-6 per cwt respectively. In January and February prices improved somewhat and at the end of the year stood in Calcutta at R. 15-4 and R. 15 per maund and in Bombay at R. 24 and R. 23 2 per cwt respectively. The year closed with comparatively heavy stocks and a quiet tone in all markets.

Re-exports amounted to 32,600 tons as compared with 72,600 tons last year. Of this quantity 18,600 tons were exported to Arabia, Persia, Asiatic Turkey, and Mesopotamia, and 2,800 tons to Kenya Colony and Zanzibar and Pamba. Last year's striking feature of re-exports to America and Europe did not reappear, but towards the end of the year prices in Java rose sufficiently above those in Indian markets to lead to the re-export of 1,950 tons to that destination.

The area under cultivation in India decreased from 2,576,000 acres to 2,395,000 acres, but production of sugar increased from 2522,000 tons in 1920-21 to 2,599,000 tons in 1921-22.

64,400 tons of molasses were imported as compared with 105,200 tons last year. The whole of this quantity came from Java,

both Mauritius and Japan having ceased to export to this country. [In the five years preceding the war the net imports of molasses averaged 93,000 tons.] Over 45,000 tons were produced in India by large factories and about 50,000 tons by small establishments. There are no exports of molasses, which are mainly used for the distillation of rum and curing tobacco.

*Metals and Manufactures thereof.*—In 1920-21 imports of iron and steel usurped from sugar the second place in order of importance, owing to the shortage of supplies during the war. In the year under review imports of machinery and railway plant showed considerable increases but imports of iron and steel sections fell markedly. Machinery imports valued at Rs. 35 crores were second only to cotton manufactures (Rs. 57 crores), sugar was third (Rs. 27½ crores), iron and steel fourth (Rs. 21 crores), with railway plant (Rs. 19 crores) not very far behind.

*Iron and Steel.*—The world's production of iron and steel in 1921 was the lowest for over a decade. The world's output of pig iron in 1921 was estimated at 36 million tons compared with 60½ million tons in 1920 and 76½ million tons in 1913, and the world's output of steel in 1921 was estimated at 41 million tons compared with 68½ million tons in 1920 and 74½ million tons in 1913. The general trade slump affected the industry throughout the world, and the coal-miners' strike in the United Kingdom from April to June temporarily paralysed the industry in that country and rendered their production for the year the lowest that has been recorded since 1850, in the case of pig iron, and since 1895, in the case of steel, this notwithstanding that the steel-producing capacity of the country had been increased by nearly 50 per cent during the war. The iron and steel exports of the five leading nations, the United Kingdom, France, Belgium, Germany, and the United States, aggregated 8 million tons in 1921 compared with 11½ million tons in 1920 and 15½ million tons in 1913, thus showing the world-wide character and severity of the trade depression. Germany was the only country whose output in 1921 exceeded that of 1920, but it was even then less than half her normal production before the war. Her pig iron output in 1921 was estimated at 7½ millions tons compared with 6½ million tons in 1920 and 19 million tons in 1913, and her steel output was estimated at 1 million tons in 1921 compared with 8 million tons in 1920 and 18½ million tons in 1913. French output was approximately the same as in 1920 and about 60 per cent of the pre-war figure. Belgian output decreased by about 25 per cent. That of Central Europe increased by 10 per cent but was still only about half the pre-war figure. It will be

seen, therefore that the Continent produced a very much higher percentage of the total world-production in 1921 than in 1920, and this fact was reflected markedly in the importations into India. Most of the Continental countries had considerable quantities of war-scrap available for re-manufacture. Standards of living were much lower, measured in sterling, than in the United Kingdom and the United States, and in the case of Germany, owing to depreciation of the mark, her goods automatically became cheaper and cheaper in overseas markets. These various causes led to successive drastic cuts in prices and a great deal of the Indian import trade went to Germany and Belgium. It is difficult to know how much of the iron and steel consigned from Belgium was actually produced in Germany. Towards the end of the year supplies from Germany became irregular, delays great, and dates of delivery uncertain. Belgian supplies suffered from the same defects, though not so markedly. And the rush to place orders on the Continent was to some extent stemmed, the promptness and certainty of supply of British goods counterbalancing higher prices. The following tables show monthly imports of pig iron and manufactured iron and steel from the United Kingdom, Belgium and Germany :—

*Pig Iron.*

[In tons.]

Month	United Kingdom	Belgium	Germany
1921			
April	112	..	..
May	162	..	..
June	289	60	..
July	3,075	260	..
August	215	1,165	..
September	340	1,453	..
October *	25	490	100
November	1,039	1,694	150
December	281	1,760	100
1922			
January	785	2,891	..
February	772	1,176	146
March	763	2,543	676

*Manufactured Iron and Steel (excluding pig and old iron).*

[In thousands of Rupees]

Month	United Kingdom	Belgium	Germany
1921			
April	1,12,67	22,13	4,60
May	85,88	24,59	3,75
June	90,02	42,34	1,46
July	48,87	38,73	2,37
August	50,61	42,38	10,58
September	52,66	21,63	13,22
October	1,00,29	15,45	13,93
November	1,11,81	15,42	11,84
December	90,04	21,76	12,16
1922			
January	1,29,33	23,50	15,16
February	1,20,72	23,38	16,89
March	1,28,86	33,57	16,70

Table No. 19 shows the quantities and values of the importations of the different classes of iron and steel manufactures in the last three years and before the war. It will be noticed that the total value decreased from Rs 31,29 lakhs to Rs 21,13 lakhs, a decrease of 32 per cent, and that the chief declines were in bars, rods and angles; sheets and plates, other than galvanised; beams, pillars and nails; screws and rivets; while imports of galvanised sheets and plates increased from 67 to 88 thousand tons. The average recorded values for the year show decreases up to 42 per cent from the average of 1920-21, as will be seen from the same table.

The price in England of Cleveland No. 3 pig iron was £7-10-0 at the beginning of April 1921 and £4-10-0 at the end of March 1922, corresponding rates for Belgian pig being £6-10-0 and £4-10-0. British angles fell from £17-0-0 to £9-2-6 and Belgian angles from £11 to £9. Correspondingly Indian prices fell steadily throughout the year and were at the close from 30 to 50 per cent below the opening rates.

The feature of the year's trade was the high proportion of total imports which came from the Continent, Belgium supplying the exceptionally high figure of 26 per cent and Germany 10 per cent. Imports from the United Kingdom fell from 498 thousand tons to 280 thousand tons, which was less than half the figure for 1913-14. Imports from the United States fell from 113 to 84 thousand tons but this was still nearly four times her pre-war figure. The following table gives further particulars :—

	From the United Kingdom		From Germany		From Belgium		From the United States		From Japan		From Other Countries		Total
	Tons (1,000)	Share p. c.	Tons (1,000)	Share p. c.	Tons (1,000)	Share p. c.	Tons (1,000)	Share p. c.	Tons (1,000)	Share p. c.	Tons (1,000)	Share p. c.	
1918-14	...	59.8	206	19.6	173	17.0	22	2.2	...	...	14	1.4	1,018
1918-19	77	42.5	...	...	...	...	76	42.0	15	8.3	13	7.2	181
1919-20	269	63.0	1	2	13	3.1	135	31.6	2	.5	7	1.6	437
1920-21	498	70.0	15	2.1	69	9.7	113	15.9	1	1	16	2.2	712
1921-22	280	45.7	60	9.8	160	26.1	34	13.7	...	...	29	4.7	613

(And a reference is invited also to Table No. 10).

*Other metals.*—Imports of aluminium decreased from 62,000 cwts valued at Rs. 87½ lakhs in 1920-21 to 42,000 cwts valued at Rs. 55 lakhs in 1921-22. Similarly brass imports decreased from 561,600 cwts to 314,400 cwts in quantity and from Rs. 4.31 lakhs to Rs. 1.83 lakhs in value—chiefly mixed or yellow metal for sheathing. And copper imports (chiefly wrought) fell from 14,400 tons to 8,150 tons in quantity and from Rs. 2.61 lakhs to Rs. 1.36 lakhs in value. Lead (which consists largely of sheets for tea chests) fell from 76,000 cwts in 1920-21 to 51,000 cwts in 1921-22 and in value from Rs. 26 lakhs to Rs. 16½ lakhs, practically all from the United Kingdom.

*Machinery and Millwork.*—The considerable increase under this head has already been mentioned. The total value of importations increased from Rs. 24 crores in 1920-21 to Rs. 35½ crores in 1921-22 as compared with Rs. 8½ crores in 1913-14. Imports of machinery can only be estimated by value and consequently the lower rates of exchange ruling in 1921-22 as compared with 1920-21 tend to exaggerate the increase in importations, and the great difference in costs renders comparison with pre-war figures

almost nugatory. Large orders for machinery were placed in the post-war industrial boom. Engineering works in Great Britain and America took time to adapt themselves to peace conditions and in 1920 and more orders were placed than the works could possibly cope with. During the latter part of 1920 and in 1921 British factories were again working in more or less normal conditions and the outstanding orders were pushed through. This resulted in very large importations, particularly of textile and electrical machinery. The value of cotton machinery imported rose from Rs. 3,67 lakhs to Rs. 7,64 lakhs (of which spinning and weaving machinery accounted for Rs. 4,58 and Rs. 2,26 lakhs respectively), jute machinery increased from Rs. 2,78 lakhs to Rs. 4,32 lakhs, and total textile machinery from Rs. 6,73 lakhs to Rs. 12,82 lakhs, of which 97 per cent came from the United Kingdom. Imports of electrical machinery rose from Rs. 2,19 lakhs to Rs. 3,90 lakhs, of which 76 per cent came from the United Kingdom. The importations of boilers also rose from Rs. 1,59 lakhs to Rs. 2,55 lakhs of which 95 per cent came from the United Kingdom, and there were increased importations of prime movers other than locomotives (Rs. 2,49 lakhs), oil crushing (Rs. 44 lakhs), sugar (Rs. 88 lakhs), and paper-mill machinery (Rs. 34 lakhs). Agricultural (Rs. 11 lakhs) and tea-making machines (Rs. 27 lakhs), metal-working machinery including machine tools (Rs. 1,24½ lakhs), sewing machines (Rs. 29 lakhs) and typewriters (Rs. 18 lakhs), all showed decreases. The following table shows the relative importance of the U. Kingdom, the U. States and Japan in meeting India's requirements of machinery and mill-work :—

*Imports of Machinery and Mill-work including belting for machinery and printing machinery.*

	1913-14 (pre-war year)			1919-20			1920-21			1921-22		
	Ra. (lakhs)	Per cent		Ra. (lakhs)	Per cent		Ra. (lakhs)	Per cent		Ra. (lakhs)	Per cent	
United Kingdom	7,41	90		6,40	67		19,02	79		29,46	83.0	
United States	27	3		287	30		420	17		4,38	13.2	
Japan	2	..		9	1		12	.5		4	.1	
Other countries	56	7		22	2		75	3.5		1,31	3.7	
Total	8,26	100		9,58	100		24,09	100		36,49	100	

*Railway plant and rolling-stock.*—Imports under this head on private and Government account combined were valued at Rs. 21,33 lakhs in 1921-22 as compared with Rs. 16,48 lakhs in 1919-20 and Rs. 14,06 lakhs in 1913-14. Large orders were placed on account of post-war reconstruction and



replacements, but a considerable amount of this 50 per cent excess over the importations in 1913-14 must be ascribed to higher prices. A statement of the detailed trade during the last three years and the average figures during and before the war will be found in table No. 6.

The orders were placed in the U. Kingdom and the U. States in the following proportions :—

United Kingdom	...	69	9	97
United States	...	30	1	1

*Moto: cars and Motor cycles.*—At the beginning of the year the market for motor vehicles was in a state of extreme satiety after the excessive importations of the two preceding years. In 1913-14, 2,880 motor cars were imported valued at Rs. 1,13 lakhs. In 1918-19 the number was 400 valued at Rs. 10 lakhs. This jumped to 9,925 in 1919-20 valued at Rs. 2,63 lakhs and further to 16,432 cars valued at Rs. 7,82 lakhs in 1920-21. In the year under review imports numbered 2,896 valued at Rs. 1,74 lakhs. Of these 711 came from the United Kingdom, 576 from Canada and 802 from the U. States of America. Bengal took 35 and Bombay 33 per cent of the total. The following are the statistics of the trade during the past nine years :—

*Number of Motor Cars imported.*

Year	From the United Kingdom	From the United States (a)	From France	From other countries	TOTAL
Year 1913-14 (pre-war)	..	863	111	232	2,880
" 1914-15 ..	..	510	54	91	2,005
" 1915-16 ..	..	2,136	1,6	72	3,121
" 1916-17 ..	..	4,169	62	58	4,778
" 1917-18 ..	..	1,222	1	20	1,282
" 1918-19 ..	..	368	..	11	400
" 1919-20 ..	..	9,353	3	121	9,925
" 1920-21 ..	..	10,120	192	2,579	15,432
" 1921-22 ..	..	790	158	1,145	2,895

(a) The country of origin of many of the cars imported from the U. K. A. during the years previous to 1920-21 is Canada.

The number of imported motor cycles was 734 valued at Rs 9 lakhs as compared with 5,179 valued at Rs 53½ lakhs in 1920-21 and 2,332 valued at Rs 17 lakhs in 1919-20. The United Kingdom supplied 74 per cent and the United States of America 13 per cent. The number of motor waggons imported similarly fell from 2,885 to 580, of which 275 came from Canada, 135 from the United Kingdom, 106 from the United States and 37 only from Italy. The total value of motor cars, motor cycles and motor waggons and accessories imported was Rs 2,72 lakhs in 1921-22, as compared with Rs 12,34 lakhs in 1920-21 and Rs 3,93 lakhs in 1919-20. The number of motor cars registered up to the end of March 1922 was 37,903, of motor cycles 13,997 and heavy motor vehicles 3,666. The following statement shows the number of different kinds of motor vehicles registered in the different provinces of British India up to the 31st March 1922:—

	Motor cars		Motor cycles including motor scooters and auto-wheels		Heavy motor vehicles (lorries, buses, etc.)		TOTAL	
	Number		Number		Number		Number	
Bengal Presidency	...	9,934	...	2,111	...	693	...	12,738
Bombay	...	7,430	...	1,893	...	642	...	9,965
Madras City	...	4,442	...	1,670	...	117	...	6,229
Madras Presidency (except Madras City)	...	1,492	...	1,022	...	328	...	2,842
Burma	...	3,915	...	1,734	...	347	...	5,996
United Provinces (Allahabad)	...	3,250	...	1,503	...	577	...	5,330
Punjab (Lahore)	...	2,675	...	1,563	...	552	...	4,890
Bihar and Orissa	...	1,721	...	654	...	167	...	2,442
North-West Frontier Province (Peshawar)	...	808	...	685	...	47	...	1,544
Central Provinces (Nagpur)	...	933	...	506	...	34	...	1,473
Sind (Karachi)	...	756	...	434	...	114	...	1,304
Aceam	...	340	...	110	...	23	...	473
Delhi (a)	...	152	...	68	...	20	...	240
Ajmer-Merwara	...	55	...	40	...	5	...	100
TOTAL	...	37,903	...	13,997	...	3,666	...	55,566

(a) Figures relate to motor vehicles registered during the financial year 1921-22

Tyres for motors and motor cycles amounted to 127,587 in number and R96 lakhs in value which was approximately the same as in 1919-20, but a considerable decrease from the imports in 1920-21. There was a slight increase in the supplies from France, but supplies from the United Kingdom, the United States and Italy all decreased. The number of imported tubes for motor tyres fell correspondingly to 137,582 valued at R14 lakhs as compared with 257,644 valued at R29 lakhs in the previous year and 121,744 valued at R20 lakhs in 1919-20—the fall in the average cost per tube is noticeable.

The motor-car habit had been steadily growing in India before the war. During the war she was starved of supplies. After the armistice, therefore, there was present in India a large unsatisfied demand backed by a considerable accumulation of purchasing power. Practically all the motor-manufacturing works in Europe and many of those in America had turned their efforts to war-work, and it was some time before those works could be sufficiently reorganised to cope with the enormous demand for cars. Supplies of any cars were very difficult to obtain throughout 1919-20 and even in the countries of manufacture it was not until the autumn of 1920 that supply was able to overtake demand. At the same time, in India, the insistent demand from purchasers and the high prices which second-hand cars were fetching had led importers to over-estimate to serious extent the size of the real demand. In addition to this genuine over-estimation of the demand, both old-established firms and new ventures placed large speculative orders. And the consequent importation of more than 25,000 cars in two years left very heavy stocks on the hands of dealers at the opening of the year under review. Meanwhile the trade slump had set in and many who had swelled the ranks of enquirers in 1919 and the early part of 1920 were in 1921 no longer in a position to purchase. By that time also the prices of motor cars were falling steadily and many who intended to buy were inclined to wait for lower levels. With an opening stock which was variously estimated as likely to take about one to two years to work off, steadily falling prices, and markedly reduced purchasing power of consumers, the striking fall in importations was not surprising. The increases of duty, to 20 per cent in March 1921 and to 30 per cent in March 1922, tempered the fall in c. i. f. costs and eased the task of dealers in disposing of accumulated stocks. At the time of writing, there is a somewhat more hopeful feeling in the motor market and there are signs that the glut is being worked off and that new demand is beginning to arise.

**Hardware:** This class including a number of items such as tools, metal lamps, enamelled ironware, agricultural implements, etc. The average value of the trade during the five years preceding the war had been a little over R3 crores. In 1919-20 it amounted to R4½ crores, in 1920-21 R9 crores, and in 1921-22 R6 crores. But shortage of supplies during the war, and high prices subsequently, account for the high values of imports during the last three years. Of the total imports of hardware R3,68 lakhs or 62 per cent came from the United Kingdom, R1,03 lakhs or 17 per cent from the United States, R61 lakhs or 10 per cent from Germany, and R21 lakhs or 4 per cent from Japan (mainly enamelled ware). The following table compares these percentages with those of previous years:—

*Import of Hardware.*

				1913-14	1919-20	1920-21	1921-22
				(pre-war year)			
				Per cent	Per cent	Per cent	Per cent
United Kingdom	..	..	..	57	47	58	62
United States	..	..	..	10	30	25	17
Japan	..	..	..	1	17	8	4
Germany	..	..	..	18	..	3	10
Other countries	..	..	..	14	6	6	7
TOTAL	..	..	..	100	100	100	100

Imports of *cutlery* in 1921-22 fell from last year's high figure of R55 lakhs to R17 lakhs, as compared with the pre-war average of R22 lakhs. The share of the United Kingdom in this trade increased from 42 per cent in 1920-21 to 52 per cent, Germany replaced the United States and supplied 30 per cent, while the share of the latter decreased from 31 to 3 per cent.

The value of *electro-plated ware* decreased from R. 15-two-third lakhs in 1920-21 to R. 11-two-third lakhs in 1921-22, chiefly from the United Kingdom.

**Mineral oils.**—The large importation of 94 million gallons of kerosene oil in 1919-20 combined with increased production in Burma had made good the shortage brought about by war conditions. During 1920-1921 the imports contracted to 57 million gallons and

in 1921-22 this figure fell further to 46½ million gallons, as compared with 69 millions in 1913-14. The declared values were Rs 6,62 lakhs in 1919-20, Rs 4,31 lakhs in 1920-21 and Rs 3,46 lakhs in 1921-22, the average declared value during the year under review being 11 annas 11 pies per gallon. Coastwise imports from Burma to India proper increased to 116 million gallons as compared with 100 millions in 1920-21 and 104 millions in 1919-20. Of the foreign supplies the United States contributed over 40 million gallons or 86 per cent. and Borneo 6 millions or nearly 14 per cent. Particulars are given in the following :—

				1913-14	1919-20	1920-21	1921-22
				(pre-war year)			
				Gals.	Gals.	Gals.	Gals.
IMPORT OF KEROSENE OIL				(1,000)	(1,000)	(1,000)	(1,000)
United States	...	...	...	42,311	45,584	35,641	40,186
Borneo	...	...	...	20,815	27,141	13,336	6,311
Persia	...	...	...	2,303	15,531	3,926	...
Straights Settlements	...	...	...	2,340	5,879	3,468	...
Russia	...	...	...	1,079	...	819	...
Other countries	...	...	...	2	...	2	1
TOTAL				...	68,850	94,135	57,192 46,498

Increased demands for fuel oil on account of railways, steamships and industrial enterprise in India steadily raised the importations which were 34 million gallons in 1919-20, to 48 millions in 1920-21 and 58 millions in 1921-22. Imports from Persia have increased strikingly, from 20 million gallons in 1919-20 to 24½ millions in 1920-21 and 51 millions in 1921-22, while imports from Borneo fell from 17 millions in 1920-21 to 2 millions in 1921-22. Imports of lubricating and batching oils decreased somewhat. Importations of foreign motor spirit were negligible compared with coastwise imports from Burma which amounted to 17 million gallons as compared with 9 millions in 1919-20 and 16 millions in 1920-21. Statistics of the imports of each variety of mineral oil are as follows :—

*Imports of Mineral oils into India by sea from foreign countries*

			1913-14 (pre-war)	1919-20	1920-21	1921-22
			1,000 Gals.	1,000 Gals.	1,000 Gals.	1,000 Gals.
Fuel oil	.	..	7,766	34,135	48,163	58,172
Kerosene—						
In bulk	..	..	52,976	85,950	48,940	41,345
In tins	..	..	15,874	8,485	8,243	5,153
TOTAL KEROSENE	..		68,850	94,135	57,192	46, 98
Lubricating oils	..	..	14,953	14,688	18,560	16,809
Benzine, benzol, petrol, etc.	..		37	16	2	1
Paints, solution, and compositions			1	..	..	..
Other kinds	..	..	3,416	1,521	1,478	1,400
TOTAL MINERAL OILS	..		95,023	144,495	125,395	122,970

World-prices of kerosene had a downward trend during the year under review. This was reflected in a mid-year reduction in the prices of some brands and in a general reduction at the end of the year. The price of Chester oil was R 10 12-6 per case (8 gallons) from April to February, and fell to R 10-3-6 in March. Elephant oil was Rs. 8-4-6 per unit of 8 gallons from April to September, Rs. 8-0-6 from October to February, and fell to Rs. 7-7 6 in March. The fall in prices in March would have been greater but for the levy of a general duty from the first of March of one anna per gallon, that is to say, the import duty was increased from one anna six pies per gallon to two annas six pies and an excise duty of one anna per gallon was imposed.

*Paper and pasteboard.*—Fear of a paper shortage in 1920 led to the placing of very large orders in that year, and when these came forward in the early part of 1921 Indian markets became overstocked to a most disastrous extent. At the same time paper markets all over the world were experiencing serious depression. All the chief producing countries had brought their raw materials at high prices, and, unable to find markets for their goods, were prepared to supply at prices which were well below the cost of production. This state of affairs led to the most drastic cutting of prices in India and

total importations fell from Rs. 7½ crores in 1920-21 to Rs. 2½ crores in 1921-22. Printing paper is always the chief item and this fell from 28,000 tons, valued at Rs. 2.85 lakhs to 11,000 tons, valued at Rs. 73½ lakhs. Imports of writing paper and envelopes fell from Rs. 2 crores to Rs. 48 lakhs, paper manufactures from Rs. 40½ lakhs to Rs. 22 lakhs, other kinds of paper including packing paper from Rs. 1.55 lakhs to Rs. 62 lakhs, and pasteboard, millboard and cardboard from Rs. 46 lakhs to Rs. 29 lakhs. The production of Indian paper-mills in 1921 amounted to 28,700 tons as compared with 29,400 tons in 1920 and 31,000 tons in 1919. The following table shows the percentage shares of the principal countries in the total imports of paper and pasteboard :—

*Percentage shares of principal countries in the total imports of Paper and Pasteboard.*

	1913-14 (pre-war)	1919-20	1920-21	1921-22
	Per cent	Per cent	Per cent	Per cent
United Kingdom	56.2	37.4	42.8	47.7
Norway ...	5.1	12.2	17.2	9.6
United States ...	8	25.3	12.0	5.8
Sweden ...	5.2	4.3	9.4	8.6
Japan ...	1.0	11.6	5.7	3.7
Germany ...	17.3	...	2.6	7.9
Austria ...	8.3	2	1	3
Hungary ...				
Other countries	8.1	9.0	10.2	16.4
Total ...	100	100	100	100

It will be noticed that the United Kingdom has increased her share and\* that Germany is coming to the fore again. Japanese imports declined still further.

Despite the heavy stocks of paper on hand and consequent slackness of demand, the imports of wood pulp increased slightly from 9,400 tons in 1920-21 to 9,600 in the year under review, of which Norway and Sweden together supplied 38 per cent (as compared with 56 per cent in 1920-21). The United Kingdom is beginning to regain her pre-war trade and supplied 25 per cent, the

German share fell from 19 to 14 per cent, and Canada also supplied 11 per cent.

*Silk, raw and manufactured.*—As might have been expected in a year of severe trade depression, the imports of silk piece-goods decreased markedly, from 22½ million yards, valued at over Rs. 4 crores, to 14 million yards, valued at Rs. 2½ crores, of which Japan contributed Rs. 1,22 lakhs, China Rs. 1,01 lakhs, and the United Kingdom Rs. 4 lakhs. The corresponding figures for the previous year were Rs. 2,20, Rs. 1,65 and Rs. 11 lakhs. Goods of silk mixed with other materials, which come chiefly from the United Kingdom, France and Italy, declined similarly from Rs. 51 lakhs in 1920-21 to Rs. 17 lakhs in 1921-22. Imports of raw silk fell from 19½ lakhs of lbs valued at Rs. 1,63 lakhs to 16 lakhs of lbs valued at Rs. 132 lakhs, the bulk of the supplies being, as usual, from China and Hongkong.

*Chemicals.*—The total imports of chemicals into India declined in value from Rs. 2,66 lakhs to Rs. 1,91 lakhs. The decrease was due both to lower values and smaller quantities imported. The imports of sodium carbonate decreased slightly from Rs. 41 lakhs in 1920-21 to Rs. 39 lakhs in 1921-22, of bleaching powder from Rs. 36½ to Rs. 15½ lakhs, partly owing to increased local production, and of Sulphuric acid from Rs. 2½ lakhs to Rs. 1½ lakhs. The imports of all acids fell from Rs. 14½ lakhs last year to 5½ lakhs. Alum was imported to the extent of Rs. 7 lakhs and Aluminous sulphates Rs. 4½ lakhs, half the value of the previous year. Magnesium chloride was imported to the value of nearly Rs. 4½ lakhs, as compared with Rs. 8½ lakhs in 1920-21. Potassium compounds decreased from Rs. 7½ to Rs. 6 lakhs. Of the Soda compounds, sodium carbonate has already been mentioned. The imports of caustic soda decreased from Rs. 16½ to Rs. 13 lakhs, soda bicarbonate increased from Rs. 7½ to Rs. 11 lakhs, while soda bichromate remained stationary at Rs. 8 lakhs. Chloride of zinc decreased slightly from Rs. 5½ to Rs. 5 lakhs.

The total imports of sulphur fell from Rs. 22½ to Rs. 11 lakhs and the further decrease in Japan's share of these imports was marked. In 1918-19 she supplied 99 per cent. of the importations, 79 per cent. in 1919-20, 37 per cent. in 1921-22, but in the year under review her share fell to 1 per cent. or 90 tons. The chief sources of supply were the United States (2,900 tons), Italy (1,900 tons), and the United Kingdom (620 tons). The following table shows the percentage share of the principal countries in the total import trade in chemicals and the striking increase in Germany's share will be noticed :—



*Percentage share of principal countries in the total value of Chemicals imported.*

	1913-14 (pre-war)	1915-16	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22
	Per Cent.				Per Cent.			
United Kingdom ..	74·7	82·2	69·5	67·2	63·2	75·8	75·6	71·4
Germany ..	12·4	·7	..	..	..	..	2·8	11·9
United States ..	·3	2·9	4·5	10·7	5·7	6·6	8·2	5·6
Italy ..	5·2	4·6	5·6	·3	1·2	2·0	3·8	2·2
Japan ..	1·5	6·5	17·2	20·4	24·3	11·9	5·1	1·5
Other countries ..	5·9	3·1	3·2	1·4	5·6	3·7	4·5	7·4
Total ..	—O n e H u n d r e d—							

*Drugs and Medicines.*—The total value of imported drugs and Medicines decreased to Rs. 1,58 lakhs. Camphor came as usual in the largest quantity from Japan, which supplied 419,000 lbs. out of a total of 688,000 lbs. Imports of quinine salts amounted to 62,900 lbs. on private account and 40,700 lbs. on Government account, giving a total of 103,600 lbs. which was 23 per cent less than in 1920-21. Proprietary and patent medicines were valued at Rs. 20 lakhs as compared with Rs. 28 lakhs during the previous year. The United Kingdom accounted for Rs. 11 lakhs, the United States for about Rs. 4 lakhs, and Japan for half a lakh.

*Liquors.*—The total quantity of imported liquors fell from 5½ million gallons valued at Rs. 4,90 lakhs last year to 4½ million gallons valued at Rs. 3,77 lakhs. The fall is attributable partly to the large stocks which were held at the beginning of the year and partly to reduced consumption, owing both to the general reduction in purchasing power and also to the picketing of liquor-shops by political agitators. All the sub-headings shows decreases, but naturally they were more marked in the case of the more expensive liquors, such as wines, brandy, and liqueurs. Bombay, as usual, took the largest quantity but markedly less than last year, 1,549,000 gallons, valued at Rs. 129 lakhs, as compared with 2,348,000 gallons, valued at Rs. 80 lakhs, in 1920-21. The imports into Bengal fell slightly in quantity from 1,477,000 gallons to 1,358,000 gallons but the value fell from Rs. 1,37 lakhs to Rs. 1,06

lakhs. Sind, Burma and Madras imported to the respective values of Rs. 60, Rs. 53 and Rs. 28 lakhs. 61 per cent of the total quantity of imported liquors consisted of ale, beer and porter which decreased from over 3 million gallons valued at Rs. 101 lakhs, in 1920-21 to 2½ million gallons, valued at Rs. 98 lakhs, in 1921-22, 2 million gallons or 69 per cent coming from the United Kingdom. Imports of Japanese beer, which had exceeded 1 million gallons in 1918-19 and again in 1919-20 remained on the lower level of 1920-21, namely, a quarter of a million gallons. Practically all the beer imported in bulk came from the United Kingdom, but Germany and the Netherlands considerably increased their share of the trade in bottled beer. Imports from Germany under this head increased from 112,000 gallons, valued at Rs. 5 lakhs, in 1920-21 to 392,000 gallons, valued at Rs. 15 lakhs, while those from the Netherlands increased from 104,000 gallons, valued at Rs. 5 lakhs to 181,000 gallons, valued at Rs. 8 lakhs. The imports of bottled beer from the United Kingdom fell from 1,049,000 gallons, valued at Rs. 40 lakhs, in 1920-21 to 664,000 gallons, valued at Rs. 27½ lakhs. This is almost entirely attributable to the greater imports from Germany and the Netherlands. Spirits accounted for 33 per cent of the imports and wines 6 per cent. Imports of spirits decreased from over 2 million gallons, valued at Rs. 3 crores, in 1920-21 to 1½ million gallons, valued at nearly Rs. 2½ crores in the year under review. As usual, practically all the whisky imported came from the United Kingdom, but the imports fell from 736,000 to 590,000 gallons although the value fell by very little more than a lakh, from Rs. 124'8 lakhs to Rs. 123'7 lakhs. Normal importations before the war were approximately 6½ lakhs of gallons for the year. Stocks at the beginning of the year were heavy and the higher duty and leaner purses tended to reduce consumption. Imports of brandy fell from 491,000 gallons, valued at Rs. 85 lakhs, to 248,000 gallons, valued at Rs. 49 lakhs, and as usual the bulk of these came from France. Here again the same factors were in operation, large stocks at the beginning of the year and loss of purchasing power tending to reduce consumption. Another factor assisting this tendency also was the restriction of credits by French export houses to Indian merchants. Total importations of wines fell from 396,000 gallons, valued at Rs. 64 lakhs, to 248,000 gallons, valued at Rs. 38½ lakhs. All the sub-heads showed decreases, except vermouth. The trade in wines is essentially a luxury trade and responded to the general trade depression.

*Provisions.*—This is a wide head covering a variety of items, such as (in order of importance) canned and bottled provisions, condensed milk, farinaceous and patent foods, biscuits and cakes,

bacon and hams, cheese, jams and jellies, cocoas and chocolate, pickles and sauces, isinglass, butter, ghi, vinegar and lard. The total value of imported provisions decreased from Rs. 361 lakhs in 1920-21 to Rs. 2,70 lakhs in the year under review. The figures of condensed milk are interesting. Before the war normal importations were about 100,000 cwts valued at about Rs. 32 lakhs. Imports decreased markedly during the war and in 1918-19 were as low as 42,000 cwts valued, however, at Rs. 28 lakhs. Importations in 1920-21 were 62,000 cwts valued at Rs. 45 lakhs and they increased in 1921-22 to 82,000 cwts valued at Rs. 64 lakhs. Sources of supply are also tending to swing back to the pre-war normal, when the United Kingdom and the Netherlands were the chief suppliers. In the year under review the United States of America supplied 26,000 cwts, the United Kingdom 17,000, and the Netherlands 18,000 as compared with 40,000, 8,000 and 2,000 cwts last year. Imports of canned and bottled provisions decreased markedly, and, in the case of biscuits and cakes, the decrease was over 66 per cent. Farinaceous and patent foods increased slightly from 285,000 cwts to 274,000 cwts, but owing to lower prices the value fell from Rs. 71 lakhs to Rs. 60 lakhs. Bacon and hams increased in both quantity and value. The United Kingdom had the bulk of the trade in biscuits and cakes, pickles, bacon and hams, and vinegar. She improved her share in the trade in jams and jellies at the expense of Australia, but lost a great deal of the cocoa and chocolate trade to France and Switzerland. Under the heading of farinaceous foods 89 per cent (12,200 tons) came from the Straits Settlements, chiefly sago and sago flour.

*Salt.*—Before the war Bengal normally imported about  $4\frac{1}{2}$  to  $5\frac{1}{2}$  lakhs of tons and Burma about 60,000 tons. These figures fell during the war, but in 1920-21 importations into Bengal were 566,000 tons and into Burma 54,000 tons. In the year under review the former fell to 411,000 tons and the latter increased to 61,000 tons. The decrease in importations into Bengal was due partly to the movement in favour of Indian salt, as the result of which the consumption of Bombay and Madras salt in Bengal increased from 24,000 tons to 36,000 tons, and also to the fact that there were heavy stocks on hand at the beginning of the year. Before the war the United Kingdom and Aden supplied about half and Spain, Egypt and Germany supplied the bulk of the remainder. During the war Egypt and Aden were the chief sources of supply. The following table shows the shares of the principal countries of consignment. It will be observed that Egypt and Aden still supply more than half, while Hamburg salt lost ground.

*Percentage share of principal countries in the imports of Salt.*

	1913-14 (pre-war)	1918-19	1919-20	1920-21	1921-22
	Per Cent	Per Cent	Per Cent	Per Cent	Per Cent
Aden and Dependencies	19.1	25.3	29.9	29.0	31.6
Egypt .. ..	13.9	50.0	26.3	18.9	23.2
United Kingdom ..	22.5	9.5	18.3	14.9	15.2
Spain .. ..	15.0	3.8	13.6	10.9	13.0
Germany .. ..	8.8	..	..	16.3	8.7
Italian East Africa ..	8.1	11.4	11.9	8.7	8.2
Turkey, Asiatic ..	12.6	..	..	..	..
Other countries ..	..	..	..	1.3	.1
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**TOTAL QUANTITY IM-**

**PORTED (IN TONS)..** 607,300 420,800 446,200 621,000 472,400

The production of Indian salt in 1921 amounted to 1,377,000 tons as compared with 1,449,000 tons to 1920. The following table shows prices per 100 maunds at Calcutta month by month of Liverpool, Spanish, and Indian salt :—

				IMPORTED.		INDIAN.
				Liverpool (ex-duty)	Spanish (ex-duty)	Desbi, Bombay Kurkutch (ex-duty)
				Rs.	Rs.	Rs.
April	1921	..	..	110	110	75
May	"	..	..	110	122-8	75
June	"	..	..	136	141	80
July	"	..	..	160	155	95
August	"	..	..	138	155	97-8
September	"	..	..	143	145	100
October	"	..	..	118	125	100
November	"	..	..	101	101	100
December	"	..	..	104	104	85
January	1922	..	..	104	94	85
February	"	..	..	112	125	95
March	"	..	..	108	125	85

*Other Articles.*—Of other imports the following are those to which special attention is drawn.

	1913-14) (Per-war)	1918-19	1919-20	1920-21	1921-22
In Lakhs of Rupees					
Grain, pulse, and flour ..	28	1,12	3,09	5	9,35
Coal, coke and patent fuel ..	11	24	13	30	5,85
Instruments, apparatus, etc. ..	1,82	2,17	2,22	5,81	5,15
Dyeing and tanning substances ..	1,41	1,59	1,89	3,74	3,21
Glass and glassware ..	1,95	1,25	2,00	3,38	2,22
Matches ..	90	1,65	2,05	1,67	2,04
Spices ..	1,73	2,41	2,27	1,91	1,93
Fruits and vegetables ..	1,13	93	1,90	1,68	1,68
Tobacco ..	75	2,15	2,02	2,96	1,65
Paints and painters' materials..	82	1,27	1,31	1,95	1,24
Woollen manufactures ..	3,85	2,17	1,60	5,53	1,23
Wood and timber ..	87	1,00	1,58	1,49	1,15
Apparel ..	1,71	1,83	1,59	3,26	1,13
Soap ..	75	1,00	1,22	1,11	89
Haberdashery and millinery ..	1,60	1,07	97	3,02	63
Articles imported by post ..	2,44	4,96	3,94	7,13	4,10

*Wheat*.—A striking feature of the year was the large importation of wheat from Australia and the Pacific Coast of the United States amounting to 440,000 tons, valued at Rs. 9.41 lakhs. Notwithstanding the favourable monsoon of the previous year, the failure of the monsoon in 1920 resulted in a serious shortage of the Northern India wheat crop which necessitated not only the embargo on exports but also the stimulation of imports on Government and private account.

*Coal*.—Importations of coal were abnormal, 1,489,000 tons as compared with 86,000 tons in 1920-21 and 532,000 tons in 1913-14. The bulk of this was imported at Bombay, which took 1,116,000 tons, and 209,000 tons were also imported at Rangoon. Pit-head prices of Indian coal tended to rise and at the same time there were sensational reductions of prices in the United Kingdom after the settlement of the coal strike. These reductions combined with very low freight rates enabled good quality Welsh coal to be delivered in Bombay at prices very little higher than Bengal coal and even in exceptional cases to undersell it. The latter was also hampered by transport difficulties between the collieries and the docks. Foreign coal began to be imported in large quantities from June onwards and reached a maximum in November. The following figures show the chief sources of supply and comparative figures for the previous year :—

			1920-21 (tons)	1921-22 (tons)
United Kingdom	..	..	9,000	705,000
Natal	..	..	7,000	340,000
Portuguese East Africa	..	..	18,000	268,000
Australia	..	..	34,000	88,000
Japan	..	..	10,000	83,000

*Instruments and apparatus*.—Instruments and apparatus consist chiefly of electrical (including telegraph and telephone) apparatus, exclusive, however, of electrical machinery, which is dealt with separately. The total value of electrical apparatus fell slightly from Rs. 4.18 lakhs in 1920-21 to Rs. 4.06 lakhs in 1921-22. Of this total Rs. 2.84 lakhs came from the United Kingdom and Rs. 80 lakhs from the United States of America. The following statement gives the value of the different classes of electrical apparatus imported during the last three years :—

IMPORTS OF ELECTRICAL APPARATUS				1919-20	1920-21	1921-22
				R (lakhs)	R (lakhs)	R (lakhs)
Electric fans and parts thereof	...	...	...	21	40	55
„ „ wires and cables	...	...	...	45	1,22	1,09
Telegraph and telephone instruments	...	...	...	6	5	5
Electric lamps and parts thereof	...	...	...	11	24	28
Batteries	...	...	...	3	3	2
Carbons, electric (a)	...	...	...	...	1	1
Accumulators (a)	...	...	...	...	15	8
Electric lighting accessories and fittings including switches (a)	...	...	...	...	31	30
Meters	...	...	...	3	8	8
Electro-Medical Apparatus including X-Ray apparatus	...	...	...	...	1	1
Switch boards (other than telegraph and telephone)	...	...	...	6	5	13
Unenumerated	...	...	...	60	1,63	1,46
<b>TOTAL</b>				<b>1,55</b>	<b>4,18</b>	<b>4,06</b>

(a) Separately recorded from April 1920.

*Dyes.*—The import of synthetic dyes increased from 10½ to 11½ million lbs. but owing to lower prices the value fell from R.3,36 lakhs to R.2,92 lakhs. Imports of alizarine dyes increased from 4 to 6 million lbs. although their value increased only from R.73 lakhs to R.75 lakhs. Aniline dyes decreased from 7 to 6 million lbs. and in value from R.2,63 to R.2,17 lakhs. The following statement (p.579) shows the principal sources of supply with quantities and values during the last four years. It will be observed that Germany has increased her share of the dye-trade to a very considerable extent, partly at the expense of the United Kingdom but more particularly at the expense of the United States.

*Cigarettes.*—The year opened with large stocks of cigarettes on hand and consumption falling. Duty was increased in March 1921 and imports decreased from 6½ to 2½ million lbs in quantity and from R.2,56 lakhs to R.131 lakhs in value—an increase in the average value however. The share of the United Kingdom decreased from 2,861,000 lbs to 2,300,000 lbs and in value from Rs. 1,35 lakhs to Rs. 1,16 lakhs. But the cheaper American cigarettes suffered very much more severely, importations from that source falling from Rs. 1,06 lakhs to Rs. 12 lakhs. And the share of the U. Kingdom in this trade increased from 46 per cent to 84 per cent.

*Matches.*—Imports of matches rose from 12 to 14 million gross in quantity and Rs. 1,67 to Rs. 2,04 lakhs in value. Japan still holds the first place with Rs. 1,85 lakhs. as compared with Rs. 17 lakhs from Sweden.

—1922]

## THE TRADE OF INDIA

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*Imports of Alizarine and Aniline dyes.*

	QUANTITY IN THOUSANDS OF LBS.					VALUE IN LAKHS OF RUPEES				
	1918-19	1919-20	1920-21	1921-22	1918-19	1919-20	1920-21	1921-22		
	lbs (1000)	lbs (1000)	lbs (1000)	lbs (1000)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)		
From United Kingdom ...	2,698	3,552	3,459	2,956	54	53	94	78		
" Germany ...	...	90	3,653	5,850	...	1	1,17	1,38		
" United States ...	855	1,918	2,013	744	51	55	76	27		
" Belgium ...	...	41	392	372	...	1	13	7		
" Switzerland ...	153	516	318	697	9	28	15	22		
" Other countries ...	44	8	786	974	3	...	21	20		
<b>TOTAL</b> ...	<b>3,775</b>	<b>6,125</b>	<b>10,631</b>	<b>11,593</b>	<b>1,17</b>	<b>1,38</b>	<b>3,36</b>	<b>3,93</b>		



## CHAPTER III.

### Exports of Merchandise

*Cotton.*--As a result of the previous year's slump in the textile trade cotton sowings were much reduced in America and Egypt. The American crop was estimated finally at 10,425 thousand bales (400 lbs.) as compared with 16,800 thousand in 1920 and 14,276 thousand in 1919 and the Egyptian crop was estimated at 817 thousand bales as compared with 1,431 thousand in 1920 and 1,380 thousand in 1919. The Indian crop, on the other hand, increased by 24 per cent, from 3,600 thousand bales (400 lbs.) in 1920-21 to 4,479 thousand bales in 1921-22. The outstanding feature of the year in the world's cotton markets was that in 1921-22 consumption exceeded production to an even greater extent than production had exceeded consumption in 1920-21. Before the war consumption was normally about 26 million bales and in 1912-13 and 1913-14 had reached the high figure of 28 million bales. During the war it fell gradually to 22 millions and production contracted correspondingly. In 1919-20 consumption rose to 24 million bales but again in 1920-21 fell back to 21 million. Consequently in 1920-21 production, stimulated by the increased consumption of 1919-20, greatly exceeded that season's consumption, and the carry over on August 1st, 1921, was estimated at the unprecedentedly high figure of 17 million bales. Total production in 1921-22 therefore shrank to the very low figure of 12 million bales. So far as information is available it seems as though consumption during the 1921-22 cotton season has reached the pre-war normal of 26 million bales, which is 7 million bales more than the season's production and will leave a carry-over of only 10 million bales, the normal pre-war figure. This improvement in demand led to a steady demand for Indian cotton at considerably higher prices than in 1920-21. The Liverpool quotation for Midling American at the beginning of April 1921 was 8'14d. It remained fairly steady at that figure till July and firmed up a little at the close of the season. On the 2nd September the new season opened at 11'70d. owing to anticipation of crop shortage in America and this rose to 15'56d. on the 4th October owing to the alarming under-estimate of the American crop published by the Agricultural Bureau. As soon as fears of a serious shortage of American cotton were removed, prices fell sharply and Midling American stood at 11d. on December 2nd at which figure it remained fairly steady, the year closing with a quotation of 10'84d. on March 31st. The same major movements are traceable in Indian prices, but they were

from time to time exaggerated or obscured by highly speculative trading in the Bombay market. On April 2nd F. G. Broach was quoted at Rs. 259 per candy (784 lbs.). The failure in the previous month of a large speculator to meet his obligations had caused a crisis necessitating the fixing of minimum prices and confidence was shaken for some time, but steady investment-buying followed by good enquiry from Europe and Japan eased the situation and prices rose steadily during May, June and July, whilst August, the last month of the cotton year, saw the highest prices of the season. An unsatisfactory feature of the 1921-22 season was the poor demand for staple cotton partly owing to mills having largely covered their requirements by the importation of American cotton but partly due also to the unsatisfactory quality of certain crops. Consequently margins narrowed and as the result of a 'squeeze' in the Fine Oomras contract at the end of the season that style was quoted at a premium above Broach. This reversal of the normal position was due to speculation rather than to legitimate trade demand. The carry-over at the beginning of the new season was heavy but was eased by the sale to the Continent of considerable quantities of low grade cotton. Forward trading in F. G. Broach opened on August 24th, 1921, at Rs. 365. Prices rose rapidly to Rs. 445 on September 1st and, following the adverse Bureau report on the American crop, rose to Rs. 630 on the 4th October—well above Liverpool parity. Demand then fell away and, in sympathy with the sharp fall in London and New York prices consequent upon receipt of markedly more favourable reports on the American crop, Indian prices slumped heavily and Broach futures stood at Rs. 476 on 1st November, a decline in excess of the fall in American prices. A steady export demand then sprang up and prices rapidly recovered, Broach futures standing at Rs. 535 on 30th December. Thence onwards prices fell steadily, mainly owing to the failure of an attempt to corner the December-January Oomras contract, and on February 8th Broach stood at Rs. 382. From that date prices rose steadily and closed on the 31st March at Rs. 465. The position of the cotton market at the end of the year was healthier than for some time past. Despite a large carry-over and a crop of  $4\frac{1}{2}$  million bales with record arrivals into Bombay, a steady demand for export resulted in the season closing with only a normal stock of cotton in Bombay. During the season 1921-22 the premium for staple cotton was on the whole well maintained.

In Nov. 1921 the transition of control of the Bombay cotton trade from the Cotton Contracts Board to the East India Cotton Association should have taken place, but as this could not be done effectively the Board was reconstituted and resumed control until the

31st May 1922. The East India Cotton Association as finally constituted, including the millowners' representatives, came into existence on July 20th, 1922. The Indian Central Cotton Committee, constituted at the end of March 1921, held its first meeting on July 17th and has since then been engaged in the promotion of measures for the improvement of Indian cotton growing and marketing.

Exports increased from 2,074 thousand bales in 1920-21 to 2,989 in 1921-22, as compared with the pre-war average of 2,407. Japan is always the principal consumer of Indian cotton and in the year under review 1,760 thousand bales went to that destination as compared with 939 in 1920-21 and a pre-war average of 1,012. But although the exports of Indian cotton to Japan increased considerably and India still supplies more than half of the cotton imported into Japan, two features of that trade are worthy of attention. Japan is making every effort to increase the amount of home-grown cotton available and the cotton output of Korea had increased in 1919 to 320 thousand bales from 150 thousand in 1916, from 1919 to 1921 the output remained steady, but it is estimated that the out-turn in 1922 will be about 397 thousand bales, which is a further considerable increase and, from an Indian point of view, another disturbing feature is the steady increase in the importation into Japan of American cotton and a corresponding decrease in the percentage of total imports which India supplies, as may be seen from the following figures :—

*Imports of raw cotton into Japan.*

(in thousand piculs).

	1913	1914	1919	1920	1921
Total .. ..	6,702	6,201	7,919	7,839	8,758
From India .. ..	4,004	4,144	3,575	4,195	4,107
From United States of America	1,720	1,370	3,114	3,273	3,480
Percentage supplied by India ..	60%	67%	45%	54%	50%

NOTE.—These figures relate to calendar years.

The increase in the Japanese consumption of long staple cotton is reflected also in the Chinese yarn market, where Japan now concentrates on counts 16 and upwards and has left the lower counts to competition between local and Indian yarns.

1921-22 was a bad season for the Chinese cotton crop, owing to adverse climatic conditions. This was particularly the case in the area from which the Shanghai mills draw their supplies. And consequently China increased her purchases of Indian cotton from 192 thousand bales in 1920-21 to 435 in 1921-22. These figures

are striking when compared with the pre-war average of 55 thousand bales, and, at the same time, exports of cotton from China are steadily decreasing. This increased consumption is due mainly to the development of the cotton-spinning industry at Shanghai which is dealt with at greater length under the heading of cotton yarn. Continental purchases of Indian cotton fell from 825 thousand bales in 1920-21 to 715 in 1921-22. For fuller figures of exports reference is invited to Table No. 32. It will be noticed that Germany has regained her position as the largest consumer in Europe of Indian cotton and is third to Japan and China. Before the war she was ordinarily the second largest consumer. The following statement shows monthly fluctuations in the total exports of Indian cotton during the last three years :—

*Exports of Indian cotton in bales of 400lbs.*

	1919-20	1920-21	1921-22
	Rs.	Rs.	Rs.
April	129,800	183,900	255,100
May	106,400	282,800	295,400
June	125,000	197,500	200,200
July	106,700	124,100	181,600
August	141,500	114,700	222,400
September	210,200	115,900	208,100
October	129,900	79,500	188,000
November	176,600	121,300	186,300
December	187,400	123,800	289,300
January	328,900	169,700	335,800
February	297,200	249,300	302,400
March	368,400	211,400	324,700
<hr/>			
TOTAL	2,398,600	2,073,900	2,989,300

*Cotton yarn.*—The cotton spinning industry had another prosperous year, as internal demand was strong enough to absorb not only larger imports but also the greater production of the Indian mills. The steady increase in production maintained since the armistice year was continued and, passing the pre-war figure, reached 692 million pounds as compared with 636 in 1919-20, 660 in 1920-21 and 683 in 1913-14. The unusual strength of the internal demand was due to the movement, largely political, in favour of the wearing of khaddar. The term "Khaddar" is strictly applicable only to cloth woven by hand from Indian hand-spun yarn, but the cloths which actually passed as "khaddar" varied from this to mill-made cloth of a low count and included cloth hand-woven from mill-made yarn.

Exports to China, which were exceptionally low in 1920-21, decreased further. In this connection reference is invited to the figures in table No. 33-A and this striking fall in the consumption of Indian yarn by her chief customer calls for examination. Formerly Indian yarn had to compete in China mainly with Japanese yarn, but the striking expansion in recent years of the Chinese cotton-spinning industry has changed the character of the competition. Japan now ships practically nothing but counts 16 and upwards, while India specialises in counts 14 and lower. And in these counts it has to compete with the local product which enjoys the advantages of locally grown cotton, less expensive labour, and proximity to the market. Table No. 33-B shows that exports of higher counts have steadily decreased and in the Chinese market it is mainly in the lower counts, 10's and 12's, that Indian yarn continues to compete effectively. Imports from India of 20's which were still considerable in 1920, were negligible in 1921. In short, the demand for the highest counts is met entirely from British and Japanese imports, the demand for medium counts is met by competition between Japanese imports and local production, and it is only in the low counts that Indian yarns still compete. The cotton-spinning industry which centres at Shanghai is steadily expanding and there are now 109 cotton mills in China, equipped with modern machinery and the number of spindles in operation and in course of installation is 2,900,000 and of looms 13,600. Exports to other countries amounted to 19 million lbs, of these, exports to Egypt increased from 3·4 million lbs in 1920-21 to 4·7 in 1921-22, as compared with the pre-war average of 2·2; as in the previous year, the Straits Settlements and Siam together took approximately the same quantity as before the war; and Persia increased her offtake from 1·7 million lbs in 1920-21 to 3·3 in 1921-22, as compared with the pre-war average of two million lbs.

*Cotton piecegoods.*—Although most of the textile manufacturing centres of the world experienced an exceptional depression, the Indian textile industry had a prosperous year, even though the profits were less than in the previous year. The absence of serious labour troubles was an important factor, but the movement in favour of Indian-made goods which resulted in markedly reduced imports was the chief cause of the strength of the Indian mills during the year under review. Owing to the movement in favour of the wearing of unbleached cloth, the exports of greys fell sharply. But exports of coloured piecegoods increased considerably. The production and exports of the different classes of piecegoods during the last three years as compared with 1913-14 figures are given below :—

PRODUCTION IN THE INDIAN MILLS    1913-14 1919-20 1920-21 1921-22  
(pre-war)

		In Million yards			
Grey and bleached piecegoods—					
Shirtings and longcloth	..	292.5	444.5	456.2	487.0
Chaddars	..	69.9	68.1	59.2	59.4
Dhutis	..	284.8	337.6	340.1	455.6
T cloth, domestics, and sheetings	..	128.9	122.4	97.4	84.1
Drills and jeans	..	27.8	81.1	74.3	60.5
Other sorts	..	68.5	110.6	102.6	138.2
TOTAL		872.4	1,164.3	1,129.8	1,284.8
Coloured piece-goods	..	291.9	475.7	451.0	446.8
TOTAL PIECE-GOODS		1,164.3	1,640.0	1,580.8	1,731.6

## EXPORT

1913-14 1919-20 1920-21 1921-22  
(pre-war)

		In Million yards			
Grey and bleached piecegoods—					
Shirtings	..	2.2	8.6	5.7	2.4
Chaddars and dhutis	..	7.6	11.2	8.7	6.5
T cloth and domestics	..	21.6	31.1	25.0	9.4
Drills and jeans	..	.6	1.5	.7	.4
Other sorts	..	12.2	24.6	10.1	6.5
TOTAL		44.2	77.0	50.2	25.2
Coloured piece-goods	..	45.0	119.6	96.2	135.8
TOTAL PIECE-GOODS		89.2	196.6	146.4	161.0

Exports to Turkey, Persia and Egypt increased from 53 to 66 million yards. Those to Singapore, Colombo and Aden fell from 53 to 47 million yards. Exports to East African ports decreased from 13 to nearly 11 million yards.

During the latter part of the war and after the armistice Italy had established a strong position in the piecegoods markets of

Asiatic Turkey. Her exports to that area, however, fell sharply in 1911, and India took the bulk of that trade.

The export trade was, as usual, chiefly in Bombay hands, to the extent of 79 per cent of the total, as compared with 21 per cent from Madras.

The following table compares local production, imports, and exports, and deduces the balance available for local consumption. Stocks cannot, of course, be calculated with any degree of certainty owing to the enormous markets and scattered demands. Nor should it be forgotten that the production figures, strictly speaking, represent deliveries from the mills during the year and not the actual output of the year. The decreased balance of 2,587 million yards available for local consumption was due solely to the serious fall in imports, which more than counterbalance the increased in production. Comparison with the pre-war figure of 4,210 million yards shows that, although demand is certainly less, the general position is sound from the point of view of future trade.

	1913-14	1918-19	1919-20	1920-21	1921-22
	(pre-war)				
	In Million yards				
Indian Mills production ...	1,164.3	1,450.7	1,640.0	1,580.8	1,731.6
Imported goods ...	3,197.1	1,122.0	1,080.7	1,509.7	1,089.8
<b>TOTAL PRODUCTION AND</b>					
<b>IMPORTS ...</b>	<b>4,361.4</b>	<b>2,572.7</b>	<b>2,720.7</b>	<b>3,090.5</b>	<b>2,821.4</b>
Exported Indian ...	89.2	149.1	196.6	146.4	161.0
„ Foreign ...	62.1	114.2	88.6	61.0	78.6
<b>TOTAL EXPORTS ...</b>	<b>151.3</b>	<b>263.3</b>	<b>285.2</b>	<b>207.4</b>	<b>239.6</b>
<b>BALANCE AVAILABLE ...</b>	<b>4,210.1</b>	<b>2,309.4</b>	<b>2,435.5</b>	<b>2,883.1</b>	<b>2,526.8</b>

Local market rates are dictated very largely by the prices of imported goods. During 1920-21 the effect of declining prices in world's markets was largely discounted by falling exchange. The latter factor was not in operation in 1921-22 and prices of imported goods fell considerably. The following table compares the declared value per yard of the different classes of piecegoods during the past four years with those in 1913-14. The difference in price between imported goods and Indian mill made goods was partly due to the fact that the boycott of foreign goods enabled Indian mills to maintain their prices above parity with imported grades.

## Imported

		1913-14		1918-19		1919-20		1920-21		1921-22	
		A.	P.	A.	P.	A.	P.	A.	P.	A.	P.
Grey	..	2	8	6	6	6	9	7	4	5	8
White	..	2	11	7	4	7	11	8	4	6	7
Coloured	..	3	5	8	4	9	10	11	4	8	9

## Indian piecegoods exported

		1913-14		1918-19		1919-20		1920-21		1921-22	
		A.	P.	A.	P.	A.	P.	A.	P.	A.	P.
Grey	..	2	7	5	7	6	4	7	4	6	6
White	..	6	0	7	1	7	1	9	11	9	1
Coloured	..	5	0	7	8	7	7	8	7	7	7

*Jute and Jute manufacture.*—The world demand for jute is based on its being the cheapest fibre available for bagging agricultural produce. And its consumption in any one year depends, therefore, on (a) the sum-total of the agricultural crops of the world in that year and (b) the proportion of these crops which are consumed in areas different from the areas of production. The gradual growth of the bulk-handing of wheat and other grains is to some extent reducing the annual demand for jute but there are various difficulties connected with bulk-handling which have up to the present time prevented its wide extension. In the year under review there were many factors which tended to reduce consumption. Central Europe could not afford to pay for the foodgrains of which she stood in need. In Russia not only are the railways disorganised but it is estimated that the number of horses is now little more than one-tenth of the number before the war, so that the cultivator is unable to transport his produce to market. This, combined with the general political disquietude, has resulted in each man's cultivating only just as much as will meet his domestic needs for the year. In Roumania the change in the system of land tenure, particularly the splitting up of large estates into small holdings, has for the time being reduced exportable surpluses, but it is not likely to be long before the condition of the export trade becomes normal again. The demand from South America was very much reduced owing to the uncertain position of a number of the merchant firms and the consequent serious restriction of bank credits. In these circumstances it is not surprising that shipments of both raw and manufactured jute were much reduced and correspondingly prices went well on the way towards pre-war levels. The total weight of raw and manufactured jute shipped fell by 15 per cent while in value it was no less than 36 per cent below last year's figure. Attention is invited to tables Nos. 29 to 31-A which show the exports and local consumption of jute and the



exports of bags and cloth. It is interesting to note in table No. 30 the gradual increase in the consumption of jute in Indian mills together with the increase in the proportion of local consumption to exports. This is also borne out by the following figures showing the exports of raw and manufactured jute in 1913-14 and 1921-22, from which it will be seen that in a year of such poor demand as 1921-22 the exports of manufactured goods exceeded those of 1913-14, whereas the exports of raw jute were less by 40 per cent:—

			1913-14	1921-22
Jute (in thousand tons)	...	...	768	468
Bags (in millions)	...	...	369	387
Cloth (in million yards)	...	...	1,061	1,121

Owing to the low prices obtained for jute in the previous year, the large stocks on hand, and the high price of rice, cultivators sowed a much smaller area with jute than in the previous year, 1,518 thousand acres in 1921-22 as against 2,509 thousand acres in 1920-21. There was also a political movement in favour of the substitution of foodgrains for a crop which was primarily intended for export, but it is probable that the reduction was almost entirely due to the hard economic facts of the relative prices of jute and rice. The final forecast of the 1921 jute crop was 4,065,000\* bales or 32 per cent below the forecast of 1920, which in its turn had been 30 per cent below the estimate of the preceding year. These figures of acreage and of out-turn were abnormally low. Reliable figures are not available for the years prior to 1892, but these are certainly the lowest on record since that year.

Exports declined slightly from 2,645,000 bales to 2,619,000 bales, a fall of one per cent, but their value, owing to the low prices ruling, fell by 14 per cent from R16½ crores to R14 crores.

First marks in Calcutta, which had stood at R66 per bale at the close of 1920-21, rose slightly in April and May but fell to R61 in June. In August, owing to reports of a serious shortage in the crop, prices firmed up and rose as high as R73 on the publication of the final estimates in September. Shortly afterwards however, owing to serious depreciation of her exchange, Germany withdrew from the market and prices fell as low as R50 in the latter part of November. From this point onwards they gradually improved, closing at R64 at the end of March.

The average consumption of the United Kingdom before the war was nearly 1,700,000 bales. But, with the development of the

\* Includes imports from Nepal.

jute mill industry in India, the consumption has tended downwards. In 1919-20 she took 1,740,000 bales. This fell in 1920-21 to 762,000 bales and still further in the year under review to 508,000 bales. The chief consumer during the year was Germany, who took 807,000 bales as compared with 403,000 in 1920-21 and a pre-war average of 920,000. France and Italy also took slightly larger quantities, but exports to the United States fell from 616,000 bales to 372,000.

Exports of bags and cloth followed the same course as exports of raw jute, and the mills continued throughout the year to work only four days a week. Table No. 31 gives the figures of exports separately for hessian and sacking under both bags and cloth, but as the figures for Hessians and sacking were not separately recorded before the war, detailed comparisons with that period are not possible. The total exports of gunny bags were 27 per cent less in number and 42% less in value than 1920-21, but were 14 per cent greater than the pre-war average in number and 48 per cent greater in value. The U. Kingdom took 30½ million bags as compared with 48 millions in 1920-21 and a pre-war average of 30½ millions. The consumption of South America in bags was strikingly small, less than 10 millions as compared with nearly 65 millions in 1920-21 and a pre-war average of over 43 millions. North America took 55 millions as compared with 73 millions in 1920-21 and a pre-war average of 51½ millions. Increases were noticeable in the exports of sacking bags to Japan and Indo-China. The total exports of cloth were 1,120 million yards as compared with 1,353 millions in 1920-21 and a pre-war average of 969 millions. The corresponding values were Rs. 15,93 lakhs in 1921-22 as compared with Rs. 28,54 lakhs in 1920-21 and a pre-war average of Rs. 10,75 lakhs. The United Kingdom took 60 million yards as compared with 94½ millions in 1920-21 and a pre-war average of 42 millions. North America took 863 million yards as compared with 974 million yards in 1920-21 and a pre-war average of 703 millions. The consumption of cloth by South America also fell, but not so strikingly as in the case of bags, exports to that area amounting to 154 million yards as compared with 220 million yards in 1920-21 and a pre-war average of 184 millions.

In sympathy with raw jute, the prices of bags and cloth exhibited a downward tendency until the end of July. Prices then rose owing to fears of a shortage of the raw material. Bags remained fairly steady at the higher level of prices, but Hessians relapsed towards the end of 1921, owing to lack of demand from the U. States, and firmed up again in the early months of 1922. The following table shows the

prices of a typical grade of bags and the two more important grades of Hessians :—

Date.	B. TWILLS		HESSIANS, 40"		HESSIANS, 40"	
			x 8 oz.		x 10½ oz.	
	Near	Forward	Near	Forward	Near	Forward
	Rs.	A.	Rs.	A.	Rs.	A.
5th April 1921	30	8	33	0	12	8
26th " "	30	8	32	8	12	4
31st May " "	30	0	31	4	11	2
28th June " "	31	12	33	8	11	14
26th July " "	34	8	35	8	11	14
30th Aug. " "	37	8	38	4	12	4
27th Sept. " "	41	8	42	0	13	12
25th Oct. " "	38	0	38	8	12	0
29th Nov. " "	37	0	37	8	11	10
22nd Dec. " "	39	4	40	0	11	14
25th Jan. 1922	38	8	39	0	11	12
22nd Feb. " "	37	8	37	8	11	8
29th March " "	40	0	40	0	12	9

*Foodgrains and flour.*—It will be observed from chart No. 2 that before the war foodgrains constituted the most important item in the export trade of India. As was remarked in last year's review, it was found necessary to continue the war time control of foodstuffs, as war conditions gave way to famine or semi-famine conditions. The important crops are wheat and rice which remained under control throughout, and, while other crops are each, comparatively speaking, insignificant from the point of view of export, continuance of control in their case was also considered necessary.

*RICE.*—The following statement compares the total out-turn of rice in India and Burma with the total exports during 1913-14, 1919-20, 1920-21 and 1921-22 :—

*The total out-turn of rice in India and Burma and total exports by sea to foreign countries.*

	PRODUCTION	E X P O R T S	
	Cleaned rice Tons (1,000)	Rice Tons (1,000)	Paddy Tons 1,000)
1913-14	28,819	2,420	30
1919-20	32,028	618	34
1920-21 ..	27,662	1,060	35
1921-22 ..	33,231	1,366	39

Although the export of rice was still nominally controlled, licences were freely granted during the early part of the year. When the system was introduced on 4th December 1920 the Government of India announced that if prices in Burma should rise beyond the control rate fixed in 1920, namely Rs. 180 per 100 baskets of paddy, they reserved to themselves power to reimpose full control. Owing to the general depression of the world's markets prices of paddy and Large Mills quality rice at Rangoon on 1st April were Rs. 177-8-0 and Rs. 422-8-0. From this time onwards, until stocks became exhausted in September-October, prices rose steadily. And the markets were controlled not so much by foreign demand as by speculators gambling on the ultimate complete removal of control. Paddy reached its highest price of Rs. 260 on 7th October after which it fell again to Rs. 185 firming up towards the end of the year and closing on 31st March at Rs. 195 to Rs. 200. Large Mills quality rice similarly rose from Rs. 422-8-0 at the beginning of April to Rs. 635 on 23rd September, from which it fell to Rs. 360 in January firming up towards the end of the year and closed on 31st March at Rs. 495. This rise in price in the first quarter of 1922 was mainly due to steady German buying. All control over exports from Burma was removed in December 1921 and over-exports from India from the 1st of April 1922. The slackness of world demand for rice when control was finally removed prevented any jump in prices resulting therefrom. The chief feature of the year was a strong German demand and this was the chief cause of the increase in the export figures. Exports of rice flour and ground rice were, as in the previous year, practically nil.

**WHEAT.**—The attention of the reader was drawn in chapter II to the shortage of the Northern India wheat crop which necessitated the embargo on exports. The following table gives the figures of production and exports of wheat in the last three years and the pre-war year :—

*Total production of the wheat and total exports by sea to foreign countries.*

			Production Tons (1,000)	Export Tons (1,000)
1913-14	..	..	8,367	1,202
1919-20	..	..	10,122	9
1920-21	..	..	6,706	238
1921-22	..	..	9,817	81

Exports of wheat receded from 237,700 tons valued at Rs. 4.10 lakhs to 80,800 tons valued at Rs. 1.47 lakhs in 1921-22. As

stated in last year's review the Government of India sanctioned the export of 400 thousand tons of wheat to Europe, but only 229,100 tons were exported up to 31st March 1921, and of the remainder 72,400 tons were exported to Europe during the year under report. In addition 8,400 tons were shipped under licenses to other destinations, principally to destinations on the Persian Gulf. Of these exports the United Kingdom took 30 thousand tons, and 42,400 tons went to other European countries. The bulk of the crop was either consumed locally or went to augment local stocks. As an additional incentive to the importation of wheat the export of fine flour, excluding *atta*, was allowed up to 50 per cent of the quantity of wheat imported, as a result of which exports of wheat flour improved slightly from 61 thousand tons in 1920-21 to 64 thousand tons in 1921-22. Of these exports 14 thousand tons went to Egypt and 9,500 tons to Ceylon.

*Tea.*—In 1920-21 tea had experienced a most disastrous slump. Large stocks in the consuming markets and heavy production of inferior grades early in the season, combined with a complete absence of demand from Russia, made supplies considerably in excess of demand. This position resulted naturally in falling prices. And in addition, owing to the continuous fall in exchange (from 2s. 0½d. for six months' sight bills on London to 1s. 4½d.), Calcutta shippers who had sent tea to London for auction sale and had drawn usance bills in India against the estimated realisations had been forced, during the latter part of the year, to meet the excess of their drawings over actual realisations at a rate of exchange considerably below that prevailing at the time the tea had been sold.

In the year under review the tea trade made a great recovery. It was realised early in the season that, in order to meet the lessened demand due both to the absence of Russian buyers from the market and to the stocks of old tea not yet absorbed, a short crop was of paramount importance. And the total absence of demand for the low grades, which had been produced to excess owing to the system of pooling during the war, led to much greater attention being paid to quality, both in the processes of manufacture and by finer plucking in the gardens. By general agreement plucking was very fine until the end of July. The crop then showed a decrease of forty-one million lbs from the figure of the previous year and prices were well on the upward grade. Rather freer plucking was then resorted to in a number of gardens, but adverse climatic conditions retarded growth, thus reducing quantity and maintaining quality, and shortage of labour automatically restricted

the amount plucked. Consequently the general range of qualities was exceptionally high, particularly in the case of common tea from Cachar and Sylhet, and quantities were low, a combination of circumstances which resulted in strong demand at steadily rising prices. The position of the trade was assisted also by a lower and more stable exchange throughout the year and a continuous fall in freight rates from £3 15s. in April 1921 to £2 11s. 3d. in March 1922. Consequently in spite of a very short crop and correspondingly high cost of production, nearly all gardens showed a profit on the year's working, some paid dividends and most were able to wipe out previous deficits. For the first time for many years the crop was sold in eight months, practically the whole of it being brought to auction by the middle of February. And the year closed with no stocks of unsold tea in India as compared with forty million lbs in the previous year, and about 223 million lbs, enough for seven months' consumption in the United Kingdom as compared with 230 in the previous year. The following estimates prepared by Messrs. J. Thomas & Co. show the monthly returns in million lbs for the past five years and the monthly percentages of increase or decrease as compared with those of 1920 :—

	1921	1920	1919	1918	1917	Per cent
April-May ..	23½	38½	26	36	31½	—38.49
June ..	27½	42½	34½	40½	41½	—34.63
July ..	41½	52½	48½	54½	53½	—21.83
August ..	47½	59½	63½	62½	63½	—19.81
September ..	46½	53	68½	59½	62½	—11.58
October ..	37	47	57½	55½	53½	—21.35
November ..	17½	20½	36½	28½	35½	—16.74
December ..	6½	5	17	9	13½	+30.72
<hr/>						
TOTAL ..	247½	318½	351½	346½	355	..

The output of tea-gardens in Java and Sumatra was also reduced by 39 per cent, from 114 million lbs in 1920 to 70 million lbs in 1921; and the Ceylon gardens reduced their output, shipments falling by about 20 million lbs. It has been estimated that the world's supplies of tea in 1921 were about 209 million lbs below a normal year's supply which is rather more than Russia's estimated pre-war normal consumption of about 180 million lbs.

Assam contributes between one-half and two-thirds of the total Indian output. Of the remainder Northern India (excluding Assam) produces rather more than twice as much as Southern India.

The statement below shows how the industry has developed during the past 16 years :—

A c r e a g e		1905	1915	1919	1920	1921
		Acres	Acres	Acres	Acres	Acres
Assam ..		339 200	382,800	411,900	420,200	417,800
Rest of Northern India ..		153,500	181,300	192,800	193,800	199,900
Southern India ..		33,800	68,000	85,400	88,400	91,400
Burma ..		1,500	2,800	1,700	1,700	(b)
<b>TOTAL</b> ..		<b>528,000</b>	<b>634,900</b>	<b>691,800</b>	<b>704,100</b>	<b>709,100</b>
P r o d u c t i o n		lbs (1,000)		lbs (1,000)	lbs (1,000)	
Assam ..		151,905	245,752	239,133	234,314	181,503
Rest of Northern India ..		57,478	94,695	103,770	75,237(a)	61,362
Southern India ..		11,910	31,610	34,005	35,655	31,399
Burma ..		107	146	139	134	(b)
<b>TOTAL</b> ..		<b>221,400</b>	<b>372,203</b>	<b>377,056</b>	<b>315,340</b>	<b>274,264</b>

(a) Excludes the production in the Tripura State (Bengal) for which information is not available.

(b) Discontinued.

Exports during the same years were as follows :—

*Exports of tea by sea to foreign countries.*

	1905-06	1915-16	1919-20	1920-21	1921-22
	lbs	lbs	lbs	lbs	lbs
From—	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Northern India	199,768	301,429	342,256	251,508	284,378
Southern India	14,399	37,035	36,901	34,238	29,493
Burma ..	57	6	8	6	7
<b>TOTAL</b>	<b>214,224</b>	<b>338,470</b>	<b>379,165</b>	<b>285,752</b>	<b>313,878</b>

A comparison of the figures for production and export will show to what extent Indian tea is dependent on foreign demand.

The season opened with common tea fetching prices distinctly below the cost of production and only really good class teas commanding a ready sale. The average price in the sale of 5th April was 4 annas 8 pies per pound. This fell as low as 3 annas 4 pies in the sale of 10th May. From that point onwards the average price steadily improved, reaching the high figure of 13 annas 3 pies

in the sale of 17th January 1922. Cachar and Sylhet sold at the low figure of 1 anna 9 pies in the sale of 31st May, from which point it rose steadily to 9 annas 6 pies in January and February and closed in March at 8 annas 3 pies. In London, correspondingly, good Pekoe Souchong rose from 6d. a lb. in April to 1s. 0½d. in December, closing in March at about 11d. to 11½d. per lb. Broken orange Pekoe, which throughout the slump had fetched very much better prices, opened at 2s. 1d. in April, touched 2s. 10d. in December, and fell back to 2s. 8½d. in March. A feature of the year was the strong demand for Broken grades, particularly Fannings. And, consequently, a far lower percentage of leaf grades was produced than usual, and the Pekoe Souchong grade has, in some gardens, been entirely eliminated from manufacture.

The United Kingdom took 269 million lbs. as compared with 249 million lbs. in the previous year and a pre-war average of 194 million lbs. Canada, Australia, Ceylon, Egypt, and the Cape of Good Hope also increased their consumption as compared with last year. The U. States took 8 million lbs. as compared with 3 million in 1920-21 and a pre-war average of 2½ million lbs. Exports to Asiatic Turkey, Persia and other countries on the Gulf were very much reduced.

The extent to which India has been able to meet competition in her chief countries of consumption will be seen from table No. 63. It will be noticed that the percentage of India's share of total imports has improved in the case of the United Kingdom to 64 per cent as compared with 58 per cent in 1920 and a pre-war average of 54 per cent. In the case of France it has improved to 18·3 per cent as compared with 15·8 per cent last year and before the war. China is the chief supplier of tea to that market. In Canada she has reached the high percentage of 60·7. In the United States of America she has improved her position to 13·3 per cent as compared with 7·8 per cent last year and 4·8 per cent before the war. In Australia and New Zealand she has improved her position slightly from 17·8 per cent last year to 18·4 per cent, which is still, however, below her pre-war average of 21·9 per cent. Australia and New Zealand are consuming about the same quantity of Indian tea as before, but their total consumption has increased and the lion's share of the increase has gone to Java.

It is difficult to estimate the quantity of tea retained for consumption in this country. A rough estimate arrived at by deducting the net exports and carry-over from production *plus* carry-over from the previous year gives a balance of 31 million lbs consumed in



India in 1921-22 as compared with 44 million lbs in 1920-21 and 22 million lbs in 1913-14.

**Oilseeds.**—Linseed, rape and sesamum have always bulked largely in Indian export trade. Of recent years ground-nut, cotton-seed, castor-seed and copra have steadily increased in importance. The bulk of the oilseed crops are harvested towards the end of one financial year and marketed in the following year. During the war considerable attention was concentrated on the dietetic value of vegetable oils and the demand for them increased greatly. But, at the same time, a strong competitor, namely West African palm kernels, was brought to the fore and also other sources of supply of oilseeds were developed. Table No. 63 shows pre-war imports of palm kernels into the United Kingdom, France and Belgium. It will be seen that the United Kingdom consumption increased from nil in 1913 to 304 thousand tons in 1919 and 239 thousand tons in 1921. French consumption increased from 3,000 tons in 1913 to 60,000 tons in 1919 and 17 thousands tons in 1921, while Belgium consumption increased from 4 thousand tons in 1913 to 38 thousand tons in 1921. Another factor of importance in considering oilseeds is the percentage of oil-content in each relatively to the price. Copra contains approximately 60 to 70 per cent of oil; groundnut and palm kernel about 43 to 45 per cent; linseed, rape-seed and sesamum about 35 to 45 per cent, and Indian cotton seed about 13 per cent. The direct competitors as edible oils are copra, groundnut, palm kernel, rape and sesamum, and the higher oil contents of groundnut and palm kernel explain their increased consumption during recent years in preference to rape-seed and sesamum. 1920-21 was a poor year for Indian oilseeds and it was anticipated that the year under review would have shown a marked improvement. Apart from groundnut, however, the limited purchasing power of the European consuming countries prevented the marked recovery which might reasonably have been anticipated. Figures of exports are shown in tables Nos. 36-A, B and C.

**Linseed.**—The depression in the British oilseed crushing industry and the bumper crop in the Argentine combined to reduce exports from the previous year's low figure of 188 thousands tons to 174 thousands in the year under review, a figure which is less than half the pre-war average. The sharp fall in the London price of linseed during 1920-21 led to restricted sowings in that cold weather and an out-turn of 270 thousand tons as compared with 419 thousand tons in the previous year. The United Kingdom took 83 thousand tons only as compared with 136 thousand ton in the previous year. But the Continent increased their consumption

from 39,092 tons in 1920-21 to 77,184 tons in 1921-22, the increase being most marked in the cases of France and Italy. For some years past linseed markets of the world have been dominated by the Argentine, as will be seen from table No. 63 which shows the percentage which comes from India of the linseed imported during recent years and pre-war year into the United Kingdom, France, Italy and Australia. America grows a considerable quantity of linseed, but consumes it herself, as also the surplus production of Canada and a considerable quantity from the Argentine.

The price of Indian linseed depends naturally on the available supplies of Argentine linseed or the prospects of that crop. In Calcutta the price on 1st April was Rs. 7-12 per maund. During June and July the price was forced up rapidly by strong bull operations in the London and Indian markets, based upon unfavourable reports on the Argentine crop. These reports turned out to be incorrect or exaggerated, the bull operators proceeded to unload, and London prices fell from £24 per ton on 30th July to £16-10s per ton on 22nd October, and correspondingly the price in Calcutta fell from Rs. 11-12 per maund on 22nd July to Rs. 7-12 per maund on 28th October. From this point the price gradually firmed up and closed on March 31st at Rs. 7 per maund.

**RAPESEED.**—Exports fell from 184,000 tons to 134,000, and the average value fell from Rs. 288 per ton to Rs. 237 per ton. The bulk of the export is from Karachi with also an appreciable quantity from Bombay. The chief factor in the fall was that Belgium which had taken 120,000 tons in 1920-21 took only 46,000 tons in the year under review. India holds a dominant position in the world's market for rapeseed, her chief competitors being Roumania and South Russia. Table No. 63 shows the percentages which India has supplied of the imports of rapeseed into the United Kingdom, Belgium, France and Italy.

**SESAMUM** is the oilseed crop in which India is experiencing most serious competition—from Chinese sesamum, from West African palm kernels, and from the gradual tendency to replace sesamum by groundnut in the soap-making industry. Exports in 1921-22 were 31,000 tons as compared with the very low figure of 12,000 in 1920-21, but both compare badly with the pre-war average of 119,000 tons. Table No. 63 shows figures of imports of sesamum into France and Italy and the figures for France show strikingly the growth of Chinese competition.

**GROUNDNUT.**—Groundnut exports showed a considerable increase from 104,000 tons in 1920-21 to 236,000 tons in 1921-22 the major part of it being due to France's increasing her imports of

Indian groundnuts from 39,000 tons in 1920-21 to 149,000 tons in 1921-22. The latter figure is still less than the pre-war average of French imports of Indian groundnuts, namely 169,000 tons, but in view of the serious competition in that market of groundnuts from Senegal, it is quite a satisfactory figure. Groundnuts from Senegal and other parts of West Africa have the great advantage that they can be exported in shell and so reach the consumer in better condition. Almost all groundnuts exported from India are sent shelled, owing to high freight charges. France has always been the chief consumer of Indian groundnuts, but during the war and subsequently she has been steadily developing the West African sources of supply as will be seen from Table No. 63.

Indian groundnut prices are closely related to Marseilles quotations. Ordinary groundnuts in Madras opened at the beginning of April at Rs. 39-8 per candy corresponding to the Marseilles quotation of 75 francs per 100 kilos. This price then firmed up sharply in Madras and was steady during the next three months at about Rs. 55 to Rs. 60. A strong demand in August, September and October forced prices up and Madras ordinary fetched Rs. 83 per candy on 17th August, after which the price steadied again and stood at the former rate for the rest of the year.

**CASTOR SEED.**—The United Kingdom is normally the chief consumer of Indian castor seed. Exports in 1921-22 were 49 thousand tons as compared with 16 thousand tons in 1920-21, the increase being largely due to an exceptional demand from America, which took 21,000 tons as compared with 4,000 tons in the previous year. Total exports were, however, still considerably less than half the pre-war average, as will be seen from table No. 36-A.

For prices during the year of other oilseeds a reference is invited to table No. 50.

**Hides and skins.**—The export trade in raw hides and skins had sunk to the very low figure of 31,000 tons in 1920-21. It improved in the year under review to 48,000 tons but at the expense of serious reductions in prices, as a result of which the value of these exports only increased from Rs. 5,25 lakhs to Rs. 5,28 lakhs. There had been abnormally heavy shipments to the United Kingdom and the United States in 1919-20 which resulted in those markets being heavily over-stocked, and the slump which began in the spring of 1920 continued until the autumn of 1921. The United Kingdom remained in an overstocked condition throughout the year under review, but the United States, although they reduced their takings of the hides to a negligible figure, very considerably increased their consumption of skins.

Exports of cow hides to the United Kingdom fell from 2,000 tons valued at Rs. 27 lakhs to 1,000 tons valued at Rs. 8 lakhs. Exports to the United States fell from 2 thousand tons valued at Rs. 34 lakhs to 17 tons valued at a quarter of a lakh. Germany resumed her pre-war importance as a consumer of Indian cow hides, nearly one-half of the exports going to that destination; the actual figures were 3,157 tons valued at Rs. 33 lakhs in 1920-21 and 10,862 tons valued at Rs. 84 lakhs in 1921-22. Spain and Italy also considerably increased their consumption from 1,383 tons and 2,957 tons, respectively, in 1920-21 to 2,912 tons and 4,600 tons in 1921-22. The exports of cow hides in 1913-14 to Germany, Spain, and Italy were 17,800 tons, 2,100 tons, and 4,600 tons. Austria and Hungary, which took 7,000 tons in 1913-14, took only 12 tons in 1921-22.

Exports of buffalo hides fell from 3,300 tons valued at Rs. 26 lakhs to 2,300 tons valued at Rs. 12 lakhs as compared with 17,000 tons valued at Rs. 2,20 lakhs in 1913-14. Of these exports 848 tons went to the United Kingdom and 677 tons to Germany.

The export of goat skins increased from 10,382 tons valued at Rs. 3,01 lakhs to 21,689 tons valued at Rs. 4,10 lakhs. Of those the lion's share went to the United States, which took 166,72 tons valued at Rs. 3,20 lakhs as compared with 6,902 tons valued at Rs. 1,99 lakhs in the previous year. Exports to the United Kingdom fell from 2,306 tons valued at Rs. 64 lakhs to 1,941 tons valued at Rs. 24 lakhs. The quantity taken by the Netherlands increased from 383 tons to 1,480 tons. France and Canada also increased their takings.

Exports of sheep skins fell from 1,319 tons valued at Rs. 20 lakhs to 414 tons valued at Rs. 5½ lakhs. Of this quantity the United States took 291 tons. Exports to the United Kingdom fell from 360 tons to 46 tons only.

Table No 50 shows the quotations for hides and goat skins in the Calcutta market during the last two years and in 1913-14. It will be observed that the prices of both cow and buffalo hides were considerably below those of the pre-war year. Eighty-three per cent of the cow hides were exported from Bengal and 8·3 and 8 per cent from Sind and Burma. Forty-five per cent of the goat skins were exported from Bengal, 26 per cent from Bombay, 16 per cent from Sind, and 13 per cent from Madras. Fuller details of quantities, values and destinations will be found in tables Nos. 7 and 42.

The trade in tanned hides and skins similarly remained depressed during the year under review, but recovered to the extent of an

export of 10,300 tons valued at Rs. 3.92 lakhs as compared with 6,700 tons valued at Rs. 3.17 lakhs in 1920-21. The following statement gives the details :—

	QUANTITIES						VALUE			
	1913-14	1919-20	19	0-21	1921-22	1913-14	1919-20	1920-21	1921-22	
	Tons	Tons	Tons	Tons	Tons	In lakhs of Rupees				
Tanned cow hides .. ..	7,900	21,600	3,500	5,500	1,47	7.16	98	1,30		
.. Buffalo hides .. ..	800	1,800	300	500	11	41	5	8		
.. Other hides .. ..	..	700	300	..	..	31	12	8		
.. Goat skins .. ..	3,700	1,500	800	1,200	1,61	1.73	73	83		
.. Sheep skins .. ..	2,500	3,300	1,800	2,800	96	2.93	1.27	1.57		
.. Other skins .. ..	300	..	..	..	7	1	2	6		
<b>TOTAL HIDES AND SKINS TANNED</b>	<b>15,200</b>	<b>28,900</b>	<b>6,700</b>	<b>10,300</b>	<b>4.22</b>	<b>12.55</b>	<b>3.17</b>	<b>3.92</b>		

The bulk of both tanned hides and tanned skins went to the United Kingdom, who increased her consumption from 3,500 tons of hides to 5,200 tons, and from 1,800 tons of skins to 2,500 tons.

The export duty on raw hides and skins remained at 15 per cent, with a rebate of 10 per cent in the case of hides and skins tanned within the Empire.

**Lac**—The exports of lac increased from 309 thousand cwt, the highest total recorded since 1909-10 but prices fell considerably and the total value increased only from Rs. 758 lakhs to Rs. 792 lakhs. The bulk of these shipments went as usual to the United States of America, which took 263 thousand cwt as compared with 221 thousand cwts in 1920-21 and a pre-war average of 183 thousand cwts. The United Kingdom came second, taking 89 thousand cwts as compared with 57 thousand cwts in 1920-21 and a pre-war average of 108 thousand cwts. Shellac prices have always been liable to violent fluctuations of price. T. N. Shellac in the Calcutta Market stood at Rs. 100 per maund at the end of March 1921, during April the price rose to Rs. 130 and during the early part of May it rose rapidly to Rs. 175, owing mainly to speculation based upon the report of a small Baisakhi crop. The price then fell reaching Rs. 105 by the end of June, after which it rose fairly steadily until the middle of November, when it touched Rs. 165. It then fell again to Rs. 147 at the end of December, after which it improved considerably during the first quarter of 1922 and closed at Rs. 198 at the end of March, the highest price reached during the year.

**Wool**.—Exports of raw wool improved from 23 millions lbs, the very low figure of 1920-21, to 32 million lbs in 1921-22. The value increased, however, only from Rs. 2,26 lakhs to Rs. 2,54 lakhs. Between one-third and one-half of the wool exported from India comes from beyond her land frontier, chiefly from Afghanistan and Tibet. The following table shows comparative figures of export by sea and import by land :—

		Exports by sea	
		Imports by land	including re-exports.
		(In thousand cwts)	
1912-13	...	193	602
1913-14	...	221	528
1919-20	...	203	467
1920-21	...	190	286
1921-22	...	135	420

The export trade is almost equally divided between Bombay and Karachi, exports from other ports being negligible. The United Kingdom takes almost the whole of India's exports of wool, chiefly for the carpet trade, and the following table shows the quantities which she imports from India and other sources :—

*Imports of wool into the United Kingdom (excluding goat hair).*

(In million pounds)

		1912	1913	1919	1920	1921
Australia	...	285	265	588	509	308
New Zealand	...	184	181	254	154	148
South Africa	...	121	133	81	58	162
Argentina	...	56	55	22	44	49
India	...	55	55	63	42	35
<b>TOTAL</b>	...	<b>807</b>	<b>801</b>	<b>1,043</b>	<b>873</b>	<b>761</b>

## Percentage of India's

share ... 7 7 6 5 5

During and since the war India has increased her woollen manufactures, particularly the carpet and rug industry. As compared with exports of carpets and rugs to the weight of 1½ million lbs in 1913-14, she exported nearly 3 million lbs in 1920-21, valued at Rs. 80 lakhs and the same quantity in 1921-22, valued however at only Rs. 69 lakhs. Consignments of carpets were, as usual, chiefly to the United Kingdom. Exports to America which had risen from a value of Rs. 1 lakh in 1918-19 to nearly Rs. 13 lakhs in 1920-21 declined to Rs. 12 lakhs in 1921-22. Exports to Australia and New Zealand which had reached the high figure of Rs. 10½ lakhs in 1920-21 fell to Rs. 1½ lakhs in 1921-22.

*Manganese Ore.*—Exports of ores decreased from 824,000 tons in 1920-21 to 549,000 tons in 1921-22. Manganese ore declined from 780,000 to 519,000 tons, the average pre-war figure being about 600,000 tons. The decline was due mainly to stagnation in the iron and steel industries of the United Kingdom and the United States, which markets were overstocked with manganese. Exports to these destinations fell from 331,000 tons and 170,000 tons, respectively, in 1920-21 to 75,000 tons and 28,000 tons in 1921-22. On the other hand, exports to Germany increased from 1,500 tons to 17,000 tons, to the Netherlands from 8,000 tons to 35,000 tons, to Belgium from 171,000 tons to 260,000 tons, and to France from 81,000 tons to 94,000 tons. Belgium and the Netherlands re-export to Germany about one-third of their imports. France also re-exports a certain amount. Altogether the Continent took 80 per cent of the total exports. The falling-off of the United States demand was due to the fact that exports from Brazil together with her own supplies sufficed for her reduced steel production. The wolfram industry suffered seriously from the pre-

vailing depression, exports amounting only to 461 tons as compared with 2,251 tons in 1920-21 and 3,580 tons in 1919-20. The bulk of the exports went to the Straits Settlements, the share of the United Kingdom falling from 2,027 tons to 70 tons, owing to there being large stocks of this ore in that and other European markets. Exports of chrome iron ore increased from 10,700 in 1919-20 to 37,000 tons in 1920-21 and again fell to 24,000 tons in 1921-22. Exports of pig iron increased from 48,000 tons in 1920-21 to 60,000 tons in 1921-22, chiefly to Japan; and of pig lead from 491,000 cwts in 1920-21 to 633,000 cwts in 1921-22. As instances of the development of metal industries in India the Tata Iron and Steel Works and the Bengal Iron Works increased their output from 828,000 tons to 860,000 tons. The increase in exports of lead was due to increased production by the Burma Mining Company, Limited.

*Opium.*—The exports of opium on private account decreased during the year from 7,660 chests (11,249 cwts) worth Rs. 2,53 lakhs to 6,081 (8,937 cwts) valued at Rs. 2,05 lakhs. Java took 2,250 chests, Siam 1,500 chests, Indo-China 1,600, Japan 100 and Hongkong 315 chests. Shipments on Government account were 2,854 chests (6,260 cwts) valued at Rs. 87 lakhs.

*Rubber.*—Exports of rubber were 11 million lbs as against 14 millions in 1920-21. The area tapped fell from 69 thousand acres to 61 thousand acres and the yield from 14 million lbs to 9 million lbs. The value of the exports fell by one-half, owing to the world-wide slump in rubber prices. The United Kingdom absorbed 63 per cent, Ceylon 21 per cent, and the United States of America 9 per cent. Madras had nearly 69 per cent of the trade and Burma 38 per cent.

*Coal and Coke.*—Reference has been made in Chapter II to the heavy importations of coal in the year under review. Before the war India exported, on the average, rather 800 thousand tons of coal per year. In 1919-20 she exported 681 thousand tons. This rose in 1920-21 to 1,144 thousand tons but declined in the year under review to the low figure of 115 thousand tons, despite an increase in production in this country from 17,962 thousand in 1920 to 19,303 thousand tons in 1921.

*Coffee.*—The coffee of 1920-21 was estimated at about 22 million lbs on an area of 126 thousand acres. In 1921-22 the estimated yield was 21 million lbs on an area of 127 thousand acres. Exports increased from 233 thousand cwts to 235 thousand cwts in 1921-22, but the value decreased from Rs. 143 lakhs to Rs. 1,39 lakhs,



France took 81 thousand cwts as compared with 42 thousand cwts in the previous year, but exports to the United Kingdom fell from 100 thousand cwts to 85 thousand cwts. Shipments to Arabia, the Bahrein Islands and Ceylon were very much reduced. The Netherlands took 11 thousand cwts as compared with 100 cwts in 1920-21, and the takings of Australia, Germany and Italy also increased.

*Manures.*—The shipments of manures declined from Rs 128 lakhs in 1920-21 to Rs. 117 lakhs in 1921-22, due to decreased exports of bones and fish manures and guano. Shipments of bones and bonemeal decreased from Rs. 100 lakhs to Rs. 92 lakhs of which crushed bones were responsible for Rs. 37 lakhs and bonemeal Rs. 55 lakhs. Exports of manures to Japan were Rs. 29 lakhs as against Rs. 16 lakhs in 1920-21. Exports to the United Kingdom amounted to Rs. 16 lakhs. Belgium, France Ceylon and the United States of America decreased their share.

*Paraffin Wax.*—The exports of paraffin wax increased to 28 thousand tons valued at Rs 1,28 lakhs from 25 thousand tons, valued at Rs. 1,12 lakhs in 1920-21, 97 per cent of the exports being from Burma. Exports to the United Kingdom were 4,400 tons, Italy 4,800 tons, China 2,600 tons, Japan 6,300 tons, the United States of America 900 tons and Australia including New Zealand 2,100 tons.

*Bran and Pollards.*—Bran and pollards remained stationary at 176 thousand tons. The United Kingdom took 52 per cent and the Straits Settlements 25 per cent as against 33 per cent and 57 per cent, respectively, in 1920-21. Germany imported 28 thousand tons as against 1,400 tons in the preceding year.

*Indigo, Dyes and Myrobalans.*—There was an increase in the exports of dyes from Rs. 1,10 lakhs in 1920-21 to Rs. 1,32 lakhs in 1921-22. Indigo accounted for an increase of Rs. 10 lakhs and myrobalans Rs. 18 lakhs. 12,400 cwts of indigo were exported, mainly to Japan (7,200 cwts), Egypt (2 thousand cwts), Persia (1,400 cwts), and the U. Kingdom (600 cwts). Japan and Egypt increased their demands by 23 and 42 per cent respectively. The season was on the whole favourable, and the total yield in India during the year was estimated at 61,600 cwts showing an increase of nearly 41 per cent over 1920-21. The cess on indigo exports yielded Rs. 17 thousand. Myrobalan exports increased from 39,600 tons in 1920-21 to 61,900 tons in 1921-22, of which the United Kingdom took 18 thousand tons, and the United States of America 13,500 tons as against 16 thousand tons and 14,700 tons respectively, in 1920-21. The exports of myrobalan extracts amounted to 2 thousand tons valued at Rs. 5 lakhs and of tanning barks to 340 tons worth Rs.  $\frac{1}{2}$  lakh.

*Teak wood.*—Teak wood exports decreased by about 60 per cent both in quantity and value to 16 thousand cubic tons valued at Rs. 46 lakhs. The United Kingdom took 6 thousand cubic tons (38 per cent) as against 25 thousand cubic tons in 1920-21. The shipments to Ceylon amounted to 1,600 cubic tons as against 3 thousand cubic tons in the preceding year. Cape of Good Hope took 2 thousand cubic tons, Natal 1 thousand cubic tons and the Netherlands and Germany 800 cubic tons each.

*Mica.*—The shipments of mica decreased to 27,100 cwts, valued at Rs. 63 lakhs from 71,300 cwts worth Rs. 1,01 lakhs in 1920-21. The United Kingdom took 16,500 cwts or 61 per cent of the total as against 41,100 cwts in the preceding year. The United States came next with 6,700 cwts as against 26,700 cwts followed by Germany with 1,700 cwts.

*Coir.*—Exports of manufactured coir decreased to 28 thousand tons valued at Rs. 92 lakhs, from 30 thousand tons valued at Rs. 99 lakhs, in 1920-21. Nearly a third went to the United Kingdom and there were increases in the exports to Germany, Italy and the Netherlands and decreases to Belgium, France and the United States of America.

*Hemp, raw.*—The exports of raw hemp declined by 37 per cent in quantity to 256 thousand cwts valued at Rs. 39 lakhs. The United Kingdom took 92 thousand cwts, or 36 per cent of the total, as against 204 thousand cwts in the preceding year. The shipments to Belgium decreased to 52 thousand cwts from 121 thousand cwts, and to Italy to only 900 cwts as against 18 thousand cwts in 1920-21. There were increased exports to Germany, (38,900 cwts), France (29,300 cwts), the Netherlands (7 thousand cwts), and the United States of America (13,300 cwts). Nearly 77 per cent of the exports were from Bengal.

*Tobacco.*—Exports of unmanufactured tobacco were stationary at 23 million lbs. The United Kingdom took 3 million lbs as against 1½ million, France 2 million lbs as against 362 thousand lbs and the Netherlands 1,360 thousand lbs as against 311 thousand lbs in 1920-21. Aden and Hongkong reduced their demands and took 4½ and 6½ million lbs, respectively, as against 6 and 9 million lbs in the preceding year. The Straits Settlements took nearly 3 million lbs.

*Saltpetre.*—The shipments of saltpetre declined to 235 thousand cwts valued at Rs. 41 lakhs from 389,700 cwts, valued at Rs. 71 lakhs in 1920-21. There was a decrease of 40 per cent in quantity and of 42 per cent in value. The United Kingdom took 87 thousand cwts as against 111 thousand cwts, Ceylon 45 thousand cwts, Hong-

kong 51 thousand cwts, Mauritius 30 thousand cwts and the United States of America 9 thousand cwts.

#### ARTICLES BY POST.

Articles imported by the parcel post only are included under this head. Under imports the value decreased by Rs. 304 lakhs to Rs. 410 lakhs. The share of the United Kingdom was 76 per cent and that of Egypt 7 per cent, Japan 3 per cent, Ceylon 4 per cent and the Straits over 1 per cent. The value of articles exported by post increased by 16 per cent to Rs 3,10 lakhs ; 53 per cent of the exports were destined for the United Kingdom, 9 for the Straits, 11 per cent for Ceylon, 5 per cent for China including Hongkong and 9 per cent for France.

#### RE-EXPORTS.

The total value of foreign merchandise re-exported from India amounted to Rs. 14 crores as against Rs. 18 crores in 1920-21 and Rs. 4½ crores in the pre-war year. The re-exports of sugar 16 D. S. and above decreased in the year under review to 32,600 tons, valued at Rs. 170 lakhs from 72,600 tons worth Rs. 6,17 lakhs in 1920-21. This was mainly due to there being no re-exports to the United States of America as against 30 thousand tons in the preceding year. There were also reduced re-exports to Asiatic Turkey and Mesopotamia (7 thousand tons), Persia (6,100 tons) and Egypt (300 tons), while Bahrein Islands, Ceylon and Arabia took more.

Twist and Yarn increased by 71 per cent to 569 thousand lbs, China and Japan being mainly responsible for the increase. Cotton piecegoods also rose by 12½ million yards or 21 per cent to 74 million yards, valued at Rs. 3,62 lakhs. Aden took 18 million yards as against 16 millions and Arabia 10½ million yards as against 6½ million yards. Persia reduced her demands by 3 million yards and took 8 millions. Re exports of raw wool increased to 15 million lbs worth Rs. 96 lakhs from 9 million lbs, valued at Rs. 77 lakhs in 1920-21, the United Kingdom being mainly responsible for the increase. Of other articles the principal increases were under apparel, dyes, tanned skins, machinery, raw cotton, and wool manufactures ; while decreases were mainly under drugs, fruits, raw hides and skins, metals, oils, silk piecegoods and tobacco. The shares of Bombay and Karachi were 73 and 16 per cent against 66 and 14 per cent, while Bengal had 8 per cent against 16 per cent. The percentage shares of the principal countries in the total re-export trade were, the United Kingdom 23 per cent, Persia 9 per cent, Mesopotamia 12 percent, Aden and East Africa 8 per cent each, Ceylon 5, Arabia 7, Japan 4 and the United States of America 5 per cent.

## GOVERNMENT STORES.

The value of imports of Government Stores increased by Rs. 2,53 lakhs to Rs. 14,07 lakhs. The principal increases were mainly under apparel, carriages and carts; coal and coke, drugs, instruments, machinery, paper, railway materials, parts of ships and cotton piecegoods, while arms, ammunition, boots and shoes, hardware and cutlery and metals decreased. The export of Indian produce on Government account decreased from Rs. 5,30 lakhs to Rs. 2,29 lakhs, of which food grains accounted for Rs. 66 lakhs and opium Rs. 87 lakhs. There were important decreases in foodgrains, opium, metals and ores and leather. The re-exports of imported goods on Government account also decreased from Rs. 4,29 to Rs. 92 lakhs.

## CHAPTER IV.

## The Direction of Overseas Trade in 1921-22

In order to show clearly the direction of India's foreign trade it is necessary to examine it from two distinct points of view, firstly, to estimate the shares of the various foreign countries in her total trade, and, secondly, to analyse the trade in particular commodities or groups of commodities so as to show the shares of the chief countries interested in each. Tables A, B and C illustrate in tabular form the first aspect and Tables D and E deal with the latter aspect in so far as a few of the more important imports and exports are concerned.

Table A shows the total overseas trade of India in private merchandise in such a way as to indicate her trade balances with the United Kingdom, the United States of America, Japan and other foreign countries. India's exports normally exceed her imports in the case of all the countries with which she deals in large quantities, excepting the United Kingdom where the reverse has always been the case. But the direction of trade is better shown by the percentage shares which different countries have of her import and export trade. Tables B and C show the fluctuations in the shares of the first twenty countries, in each case, in the order of their importance in 1913-14. It will be observed that the United Kingdom has not yet entirely regained the share which she lost during the war to the United States and Japan, and that her percentage share in imports fell from 6'09 in 1920-21 to 56'6 in 1921-22 and in exports from 21'9 to 20'1. The share of His Majesty's Dominions and other British possessions in

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## TABLE A.

[1921—

	1913-14			1919-20		
	Exports	Imports	Net Imports (—) or Exports (+)	Exports	Imports	Net Imports (—) or Export (+)
	Rs. (Crores)	Rs. (Crores)	Rs. (Crores)	Rs. (Crores)	Rs. (Crores)	Rs. (Crores)
United Kingdom ...	58	117	—59	99	105	—6
Other British Posses- sions ...	36	11	+25	47	20	+27
<b>TOTAL BRITISH EMPIRE...</b>	<b>94</b>	<b>128</b>	<b>—35</b>	<b>146</b>	<b>125</b>	<b>+21</b>
Europe ...	85	30	+55	44	8	+36
United States of America ...	22	5	+17	49	25	+24
Japan ...	23	5	+18	47	19	+28
Other Foreign countries ...	25	15	+10	44	31	+13
<b>TOTAL FOREIGN COUNTRIES...</b>	<b>155</b>	<b>55</b>	<b>+100</b>	<b>184</b>	<b>83</b>	<b>+101</b>
<b>GRAND TOTAL ...</b>	<b>249</b>	<b>183</b>	<b>+66</b>	<b>330</b>	<b>208</b>	<b>+122</b>

# THE TRADE OF INDIA

## TABLE A. (Contd.)

	1920-21			1921-22		
	Exports	Imports	Net Imports (-) or Exports (+)	Exports	Imports	Net Imports (-) or Exports (+)
	Rs. (Crores)	Rs. (Crores)	Rs. (Crores)	Rs. (Crores)	Rs. (Crores)	Rs. (Crores)
United Kingdom ...	56	205	-149	49	151	-102
Other British Possessions	54	17	+37	52	26	+26
<b>TOTAL BRITISH EMPIRE ...</b>	<b>110</b>	<b>222</b>	<b>-112</b>	<b>101</b>	<b>177</b>	<b>-76</b>
Europe ...	45	28	+17	47	23	+24
United States of America ...	38	35	+3	26	22	+4
Japan ...	24	26	-2	39	14	+25
Other Foreign countries	41	25	+16	33	30	+3
<b>TOTAL FOREIGN COUNTRIES ...</b>	<b>148</b>	<b>114</b>	<b>+34</b>	<b>144</b>	<b>89</b>	<b>+55</b>
<b>GRAND TOTAL ...</b>	<b>258</b>	<b>336</b>	<b>-78</b>	<b>245</b>	<b>266</b>	<b>-21</b>

TABLE B.

## IMPORTS

	1913-14	1919-20	1920-21	1921-22
	Per cent	Per cent	Per cent	Per cent
United Kingdom ...	64.1	50.5	60.9	56.6
Germany ...	6.9	...	1.4	2.7
Java ...	5.8	9.4	4.6	8.9
Japan ...	2.6	9.2	7.9	5.1
United States of America ...	2.6	12.1	10.5	8.1
Belgium ...	2.3	.3	1.6	2.1
Austria and Hungary ...	2.3	.1	.2	...
Straits Settlements ...	1.8	2.9	1.4	1.5
Peria, Arabia, Asiatic Turkey, etc. ...	1.5	2.4	1.1	1.3
France ...	1.5	.8	1.1	.8
Mauritius ...	1.3	.6	.3	.8
Italy ...	1.2	.6	1.2	.8
China ...	.9	1.8	.9	1.0
Netherlands ...	.8	.5	.9	.8
Australia ...	.5	1.6	.4	3.5
Hongkong ...	.5	1.3	.7	.6
Dutch Borneo ...	.4	.9	.4	.2
Ceylon ...	.4	1.2	.6	.5
Switzerland ...	.3	.4	.7	.4
East Africa and Zanzibar ...	.3	1.0	.5	1.4

TABLE C.

## EXPORTS

	1913-14	1919-20	1920-21	1921-22
	Per cent	Per cent	Per cent	Per cent
United Kingdom ...	23.4	29.9	21.9	20.1
Germany ...	10.6	.1	3.4	6.7
Japan ...	9.1	14.2	9.4	15.7
United States of America ...	8.7	14.8	14.7	10.0
France ...	7.1	5.1	3.7	4.0
Belgium ...	4.8	3.1	5.0	3.3
Austria and Hungary ...	4.0	.1	.3	.3
Ceylon ...	3.6	3.4	4.6	5.0
Peria, Arabia, Asiatic Turkey, etc. ...	3.2	6.4	7.1	6.1
Italy ...	3.1	2.5	2.6	2.4
Hongkong ...	3.1	2.8	2.9	2.7
Straits Settlements ...	2.7	2.3	3.5	3.1
China ...	2.3	3.3	3.6	4.5
Central and South America ...	2.2	3.2	4.1	1.9
Netherlands ...	1.7	.5	.5	1.1
Australia ...	1.6	1.0	2.4	1.6
East Africa and Zanzibar ...	1.0	.9	1.3	1.3
Russia ...	.9	...	...	...
Spain ...	.8	.7	1.1	.7
Java ...	.8	.6	1.2	1.7

# THE TRADE OF INDIA

TABLE D—IMPORTS

	IRON AND STEEL		MACHINERY		HARDWARE	
	1913-14 1920-21 1921-22		1913-14 1920-21 1921-22		1913-14 1920-21 1921-22	
	Per cent		Per cent		Per cent	
United Kingdom	69.9	71.1	53.8	89.8	78.3	83.2
United States	2.6	16.6	20.9	3.3	18.0	13.2
Germany	14.5	1.9	5.9	5.6	.8	1.6
Belgium	11.5	7.7	16.1	..	.3	.5
Japan	..	..	..	..	..	..
France	..	..	..	..	..	..
Italy	..	..	..	..	..	..
Canada	..	..	..	..	..	..
Australia	..	..	..	..	..	..
Percentage of total trade represented by countries shown	98.5	97.3	95.7	98.7	97.4	98.5
TOTAL VALUE OF TRADE	16.01	31.29	21.12	7.76	22.38	34.26
Rs. (LAKHS)	..	..	..	3.95	9.08	5.92



TABLE D—IMPORTS (Contd.)

	MOTOR CARS		RAILWAY PLANT		INSTRUMENTS	
	1913-14	1920-21 1921-22	1913-14	1920-21 1921-22	1913-14	1920-21 1921-22
	Per cent		Per cent		Per cent	
United Kingdom ..	71.3	31.3	50.0	93.0	95.4	97.3
United States ..	15.1	52.8	24.6	..	1.6	.7
Germany ..	..	..	..	3.0	..	.2
Belgium ..	4.5	2.2	3.3	.7	.4	.4
Japan ..	..	..	..	..	..	..
France ..	4.5	2.0	4.4	..	..	..
Italy ..	..	3.2	4.7	..	..	..
Canada ..	..	7.3	7.7	..	..	..
Australia ..	..	..	..	2.9	.8	1.1
Percentage of total trade represented by countries shown	95.4	98.8	94.7	99.6	98.2	99.7
TOTAL VALUE OF TRADE Rs. (LAKHS) ..	1.53	12.34	2.72	10.03	14.13	18.91
				1.82	5.81	5.15

TABLE D—IMPORTS

	COTTON MANUFACTURES			SILK MANUFACTURES			SUGAR		
	1913-14	1920-21	1921-22	1913-14	1920-21	1921-22	1913-14	1920-21	1921-22
	Per cent			Per cent			Per cent		
United Kingdom	90.1	79.4	83.2	9.0	4.5	3.3	1.8	1.8	.8
United States	.4	.9	1.4	..	..	..	..	..	..
Germany	2.1	1.1	.1	..	..	..	.1	..	..
Belgium	..	..	..	..	..	..	..	.7	2.0
Japan	1.8	14.6	11.4	46.8	53.0	47.2	..	..	..
France	..	..	..	7.8	2.5	2.0	..	..	..
Italy	1.5	1.3	.5	6.1	3.4	7.0	..	..	..
Netherlands	1.6	1.1	2.0	..	..	..	..	..	..
China*	..	..	..	20.6	31.1	37.8	71.8	..	.4
Java†	..	..	..	..	..	..	16.9	88.8	87.2
Mauritius	..	..	..	..	..	..	..	4.8	8.1
Persia	..	..	..	..	..	..	..	..	..
Borneo	..	..	..	..	..	..	..	..	..
Norway	..	..	..	..	..	..	..	..	..
Sweden	..	..	..	..	..	..	..	..	..
Percentage of total trade represented by countries shown	97.5	97.7	98.6	90.3	94.5	97.3	90.6	96.8	98.5
TOTAL VALUE OF TRADE Rs. (LAKHS)	66.30	1,212	56.94	3.10	5.59	2.99	14.96	18.50	27.50

\* Includes Hongkong and Macao.

† Includes Hongkong and the Straits Settlements

TABLE D—IMPORTS (Contd.)

	LIQUORS		MINERAL OILS		PAPER	
	1913-14	1920-21	1921-22	1913-14	1920-21	1921-22
	Per cent		Per cent		Per cent	
United Kingdom	62.9	66.9	64.8	5.7	4.9	5.0
United States	..	..	..	56.1	63.6	66.3
Germany	10.7	1.4	5.0	..	..	..
Belgium	..	..	..	..	..	..
Japan	..	..	..	..	..	..
France	18.8	19.6	16.4	..	..	..
Italy	..	..	..	..	..	..
Netherlands	..	..	..	..	..	..
China*	..	..	..	..	..	..
Java†	..	..	..	..	..	..
Mauritius	..	..	..	..	..	..
Persia	..	..	..	3.7	8.0	15.0
Borneo	..	..	..	21.8	17.9	11.1
Norway	..	..	..	..	..	..
Sweden	..	..	..	..	..	..
Percentage of total trade represented by countries shown	92.4	87.9	86.2	87.3	94.4	97.4
TOTAL VALUE OF TRADE	2.24	4.90	3.77	4.12	8.34	7.34
Rs. (LAKHS)	..	..	..	81.1	72.1	74.4
	..	..	..	1.59	7.30	2.34

† Includes Hongkong and the Straits Settlements.

\* Includes Hongkong and Macao.

TABLE E—Exports

	TEA		JUTE (RAW)		JUTE MANUFACTURES	
	1913-14	1920-21	1921-22	1913-14	1920-21	1921-22
	Per cent		Per cent		Per cent	
United Kingdom	72.4	85.8	88.6	38.0	32.1	20.4
Canada	4.3	2.2	3.0	...	...	...
Australia	3.1	1.8	1.7	...	...	...
Russia	11.1	...	...	...	...	...
Persia, Arabia, Turkey Asiatic and Mesopotamia	1.2	4.3	1.4	...	...	...
United States...	7	10	1.8	11.9	16.1	13.2
Ceylon	1.6	1.8	1.4	...	...	...
Germany	...	...	...	21.8	14.5	21.9
France	...	...	...	9.9	13.3	12.1
Italy	...	...	...	5.5	5.2	6.0
Argentina	...	...	...	...	...	...
Java	...	...	...	...	...	...
Japan	...	...	...	...	...	...
Belgium	...	...	...	...	...	...
China	...	...	...	...	...	...
Netherlands	...	...	...	...	...	...
Straits Settlements	...	...	...	...	...	...
Spain	...	...	...	...	...	...
Percentage of total trade represented by countries shown	91.4	96.9	97.9	87.1	81.2	81.6
TOTAL VALUE OF TRADE IN (LAKHS)	14.98	12.15	18.23	30.53	16.36	14.05
				23.27	53.00	30.00

TABLE E—EXPORTS (Contd.)

	COTTON RAW			OIL SEEDS			FOOD GRAINS			HIDES AND SKINS (RAW AND TANNED)		
	1913- 14	1920- 21	1921- 22	1913- 14	1920- 21	1921- 22	1913- 14	1920- 21	1921- 22	1913- 14	1920- 21	1921- 22
	Per cent			Per cent			Per cent			Per cent		
United Kingdom	...	...	...	22.2	41.1	24.4	26.7	17.3	9.6	25.9	42.2	32.9
Canada	...	...	...	...	...	...	...	...	...	...	...	...
Australia	...	...	...	...	...	...	...	...	...	...	...	...
Russia	...	...	...	...	...	...	...	...	...	...	...	...
Persia, Arabia, Turkey Asiatic & Mesopotamia	...	...	...	...	...	...	...	...	...	...	...	...
United States	...	...	...	...	...	...	...	...	...	24.3	32.8	34.1
Ceylon	...	...	...	...	...	...	11.5	22.5	22.6	...	...	...
Germany	14.6	8.0	6.9	16.0	4.6	8.8	7.8	5.4	14.0	20.3	4.7	9.5
France	...	...	...	31.4	12.5	30.6	...	...	...	...	...	...
Italy	7.7	8.6	4.4	5.0	6.0	8.2	...	...	...	5.3	3.7	3.6
Argentina	...	...	...	...	...	...	...	...	...	...	...	...
Java	...	...	...	...	...	...	...	...	...	...	...	...
Japan	47.2	49.7	60.3	...	...	...	...	...	...	...	...	...
Belgium	10.3	10.1	6.1	16.0	28.4	14.0	...	...	...	...	...	...
China	1.7	10.1	15.6	...	...	...	...	...	...	...	...	...
Netherlands	...	...	...	1.0	...	3.7	...	...	...	...	1.1	3.4
Straits Settlements	...	...	...	...	...	...	...	...	...	...	...	...
Spain	...	...	...	...	...	...	6.7	12.3	8.4	...	...	...
Percentage of total trade represented by countries shown	81.5	86.5	93.3	91.6	92.2	89.7	52.7	57.5	54.6	81.9	87.3	86.0
TOTAL VALUE OF TRADE RS. (LAKHS)	41.04	41.63	53.97	25.65	16.83	17.40	45.14	25.65	29.99	15.95	8.42	9.90

imports improved from 5 per cent to 10 per cent, and in total trade improved from 12 to 15 per cent. The whole British Empire had 54 per cent of the total trade (67 per cent of the imports and 41 per cent of the exports) as against 56 per cent (66 per cent of the imports and 43 per cent of the exports) in 1920-21. The United States has not been able to maintain the strong position which she acquired during the war, but her share both in imports and exports is still distinctly higher than her pre-war share. The same remark applies to Japan on the import side, but on the export side her share was swollen in the year under review by large exports of cotton to that destination. Germany, though still far from regaining her pre-war position of the second most important country in India's foreign trade, has already improved very considerably as compared with 1919-20, particularly on the export side. The Belgium share of imports is equal to her pre-war share, owing mainly to large importations of iron and steel from that country. Her share of exports has, however, fallen. The import figures for Java and Mauritius represent, of course, mostly sugar, and Australia's large share on the import side is mainly wheat. One feature, however, is noticeable on both the import and export side and that is the steady growth of trade with East Africa and Zanzibar. The large imports of coal from Portuguese East Africa and of raw cotton from Kenya Colony in 1921-22 accounted for an increase of Rs. 26 lakhs and Rs. 78 lakhs, respectively, in the import trade.

The reader is invited to turn now to Tables D and E, which show the direction of trade in a few of the more important commodities on both the import and export sides. It will be observed that, in iron and steel, the United States has consolidated the position which she built up during the war. The United Kingdom lost ground seriously during the year under review, and both Belgium and Germany made progress at her expense, the share of the trade captured by Belgium being nearly 5 per cent more than her share before the war. In machinery also the United States has retained a good deal of the ground won during the war, but the United Kingdom improved her share from 78 per cent to 83 per cent, while the United States fell back from 18 per cent to 13 per cent. The position as regards these two countries is approximately the same in the case of hardware. In that time, however, Germany improved her share from 3 per cent to 10 per cent, while Japan fell back from 8 per cent to 3 per cent. Under the heading of motor cars, the United Kingdom improved her position from 31 per cent to 50 per cent, as compared with 71 per cent before the war, while the United States fell back from 53 per cent to 25 per cent. In railway plant the position of the United Kingdom remains unchallenged. Under

the head of instruments also the changes were not great. In cotton manufactures the United Kingdom improved her position from 79 per cent to 83 per cent while Japan fell back from  $14\frac{1}{2}$  per cent to  $11\frac{1}{2}$  per cent. Under the heading of silk manufactures China has improved her position from  $20\frac{1}{2}$  per cent in 1913-14 to 38 per cent and she now practically shares this trade with Japan. Java entirely dominates sugar importations, but Mauritius improved her share from 5 per cent to 8 per cent. Under mineral oils, Persia has improved her position from 4 per cent before the war to 15 per cent, while Borneo has fallen back from 22 per cent to 11 per cent.

Turning now to the exports, Table E, the features most noticeable in that relating to tea are the disappearance of Russia and the considerable increase in the share of the United Kingdom. The share of Australia was distinctly less than before the war, as also in 1920-21. Under raw jute, the considerable increase in the share taken by Germany of the small volume of exports in 1921-22 is particularly noticeable, her share improving from  $14\frac{1}{2}$  per cent to 30 per cent, that of the United Kingdom falling, at the same time, from 32 per cent to 20 per cent. Apart from the increase in the share of Japan from a half per cent before the war to  $1\frac{1}{2}$  per cent in 1920-21 and to  $4\frac{1}{2}$  per cent in 1921-22, the changes under the head of jute manufactures are not striking. Raw cotton exports are going very much more to Japan and China than they did before the war and less to the Continent. Oilseeds is a composite head. Germany has improved her share from  $4\frac{1}{2}$  per cent in 1920-21 to 9 per cent in 1921-22, as compared with 16 per cent before the war. The share taken by Belgium fell from 28 per cent in 1920-21 to 14 per cent and that of France increased from  $12\frac{1}{2}$  per cent to  $30\frac{1}{2}$  per cent in 1921-22, which is approximately the same as her share in 1913-14. Exports of foodgrains have been so much restricted during the last two years that the percentages are not very illuminating, but it is noticeable that Ceylon retains her higher share and that Germany also took a distinctly higher share than before the war. Exports of hides and skins were on a very much lower level than in 1913-14, but the share taken by the United States, chiefly goatskins, improved from 33 per cent to 34 per cent as compared with 24 per cent in 1913-14. The share taken by Germany also improved from  $4\frac{1}{2}$  per cent to  $9\frac{1}{2}$  per cent. This was, however, still less than half her share before the war.

#### THE BRITISH EMPIRE.

Turning to trade with individual countries, the imports from and exports to the United Kingdom and other British possessions are shown in the following table:—

Countries	IMPORTS				EXPORTS			
	1913-14	1919-20	1920-21	1921-22	1913-14	1919-20	1920-21	1921-22
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
United Kingdom	1,17.58	104.58	2,04.60	1,50.92	58.35	98.61	55.53	49.28
Ceylon	81	2.51	1.91	1.38	9.04	11.25	11.88	12.31
Strait Settlements	3.42	5.93	4.81	4.08	6.79	7.58	9.09	7.68
Hongkong	98	2.75	2.39	1.66	7.82	9.10	7.40	6.65
Egypt	(a)	1.39	1.54	72	(a)	3.80	3.79	2.22
South Africa	23	20	16	1.45	1.20	1.45	1.52	2.37
Mauritius	2.53	1.28	87	2.23	1.26	1.82	1.89	2.04
East African Protectorate	39	1.67	1.38	2.34	1.02	1.82	2.17	1.95
Canada	1	5	1.33	51	1.43	1.69	1.34	1.47
Australia	92	3.24	1.20	9.44	4.10	3.40	6.30	4.05
New Zealand	.....	1	.....	1	56	59	86	52
Other countries...	1,20	1.44	1.39	2.62	2.52	5.56	6.82	10.46
TOTAL BRITISH EMPIRE	1,28.07	1,25.45	2,31.58	1,77.36	74.39	1,46.17	1,09.89	1,00.90

(a) Egypt included in the British Empire from 1915-16. The figures for 1913-14 are Rs. 30 lakhs for imports and Rs. 237 lakhs for exports.



Imports from the United Kingdom decreased in value by Rs. 54 crores at 27 per cent to Rs. 151 crores. In the pre-war year the value had amounted to Rs. 117½ crores only. The value of the exports to the United Kingdom decreased from Rs. 56 crores, in 1920-21 to Rs. 49 crores, the value recorded in the pre-war year being Rs. 58 crores. Nearly 31 per cent of the total imports consisted of cotton manufactures including twist and yarn, which were valued at Rs. 47 crores as against Rs. 81 crores or 40 per cent of the imports in the preceding year. The other important groups, namely, metals and manufactures, machinery, railway plant and rolling stock, accounted for 41 per cent of the total imports as against 29 per cent in 1920-21.

The quantity of cotton piecegoods imported fell by 26 per cent to 955 million yards from 1,292 millions in 1920-21, and this was 69 per cent below the imports in the pre-war year. The value of the imports of iron and steel fell by half from Rs. 22 crores to Rs. 11 crores, but on the other hand, machinery and mill-work increased from Rs. 17½ crores to Rs. 28½ crores, and railway plant and rolling stock from Rs. 13 crores to Rs. 11 crores. Imports of coal rose to the unprecedentedly high figure of 716 thousand tons valued at Rs. 2,98 lakhs, as compared with 10 thousand tons valued at Rs. 6 lakhs in 1920-21 and 175 thousand tons valued at Rs. 38 lakhs in 1913-14. And imports of raw cotton also rose in value from Rs. 74 lakhs to Rs. 1,51 lakhs. Hardware and liquors amounted to Rs. 3½ and Rs. 2½ crores as against Rs. 5 and 3½ crores in 1920-21. Decreases were noticeable under woollen manufactures (—Rs. 3,88 lakhs), motor cars, etc. (—Rs. 2,49 lakhs), paper (—Rs. 2,01 lakhs), apparel (—Rs. 1,08 lakhs), haberdashery and millinery (—Rs. 98 lakhs), cycles (—Rs. 71 lakhs), chemicals (—Rs. 65 lakhs) and stationery (—Rs. 61 lakhs).

The principal articles exported to the United Kingdom were tea (over Rs. 16 crores), raw and manufactured jute (nearly Rs. 5 crores), seeds (Rs. 4 crores), food grains (Rs. 3 crores), raw and tanned hides and skins (Rs. 3½ crores), and raw wool (Rs. 2½ crores). These articles represented 69 per cent of the total exports to that destination as against 66 per cent in 1920-21. The shipments of tea increased by 8 per cent from 249 million lbs in 1920-21 to 269 million lbs in 1921-22. Raw jute declined by no less than 33 per cent from 136 thousand tons to 91 thousand tons, and exports of jute bags and gunny cloth fell to 31 million bags and 60 million yards, respectively, as against 48 million bags and 95 million yards in the preceding year. The total value of raw jute manufactures fell by 50 per cent from Rs. 9,85 lakhs to Rs. 4,93 lakhs. The total quantity of all kinds of seeds exported was 219 thousand tons, showing a decrease of 67 thousand tons or 23 per cent as compared

with 1920-21. Cotton-seed accounted for a decrease of 11 thousand tons, linseed of 53 thousand tons, and groundnuts 15,700 tons. There was a heavy fall in exports of raw cotton from 96 thousand bales to 36 thousand bales. The quantity of raw hides and skins amounted to 4 thousand tons and of tanned hides and skins to 7,800 tons as against 5,800 and 5,300 tons, respectively, in 1920-21. Foodgrains, mainly rice and wheat, showed a decrease of 1,13 thousand tons. Shipments of bran and pollards, lac, groundnut, cake and raw wool increased, while there were decreases under manganese ore, teak wood, raw hemp, rubber, sugar 15 D. S. and below, wolfram ore and mica.

#### OTHER BRITISH POSSESSIONS.

As regards other British possessions the total imports rose from Rs. 17 crores to Rs. 26 crores, an increase of 56 per cent, while the exports fell from Rs. 54 crores to Rs. 52 crores.

*Ceylon.*—The value of the total trade with Ceylon was almost the same Rs. (13½ crores) as in the preceding year. The quantity of copra imported again decreased in 1921-22 and amounted to less than 1 thousand tons as against 7,500 tons in 1920-21 and 25,500 in 1919-20. Ceylon reduced her supplies of tea and lead-sheets for tea chests, but supplied more betelnuts. As in the two preceding years, she was the largest purchaser of rice, her imports (305,100 tons) being 11 per cent more than in 1920-21. She took less coal, wheat-flour, sugar, pig lead, bones, and raw cotton, but more coloured cotton piece-goods.

*Straits Settlements.*—The value of the imports from the Straits Settlements decreased by about a crore of rupees to Rs. 4 crores and of exports from Rs. 9 crores to Rs. 7½ crores. Of the articles of import mineral oils, refined sugar and raw silk showed decreases, while imports of provisions and unwrought tin increased. Exports of rice declined from 183 thousand tons to 135 thousand tons. She took more dressed sheep-skins, provisions and opium, but less coal, bran, wheat-flour and cotton yarn.

*Hongkong.*—The value of the trade with Hongkong showed a decrease of Rs. 1½ crores. She took less jute gunny bags and opium than in the preceding year. Exports of cotton twist and yarn showed an increase in quantity accompanied by a decrease in value. Her consignments of refined sugar, raw silk and silk piece-goods decreased.

*Egypt.*—There was a considerable decrease in the value of the total trade with Egypt which amounted to Rs. 2,94 lakhs as against Rs. 5,33 lakhs in 1920-21 and Rs. 2,57 lakhs in the pre-war year 1913-14. The quantity of Egyptian salt imported (110 thousand tons) was slightly less than in the preceding year (117 thousand

tons). Egypt decreased her supplies of refined sugar and took more indigo, tea, wheat flour and rice, while, there were decreases in the shipments of cotton piece-goods, wheat, gunny bags and coal.

*Mauritius.*—There was a very considerable increase in the imports of sugar (16D.S. and above) from Mauritius, which amounted to 61,600 tons against 11,500 tons in the preceding year and 136,600 tons in 1913-14. Mauritius took more rice but less wheat-flour, cotton piece-goods and jute bags than in the preceeding year.

*Canada.*—The number of motor cars received direct from Canada in 1921-22, as recorded in the sea-borne trade returns of British India, was 576, valued at Rs. 13 lakhs. The direct shipments of tea to Canada increased to 12 million pounds from 8 millions in 1920-21, and of gunny cloth from 41 to 47 million yards. It is difficult, however, to record the true extent of India's trade with Canada as a large proportion is entrepot trade *via* New York. It was found that the volume of direct trade passing in the year under review was not sufficient to support the regular direct service between Calcutta and Montreal and this was changed, in December 1921, to occasional sailings as cargoes offered.

*South Africa.*—The trade with South Africa expanded considerably. Imports from the Union were valued at Rs. 16 lakhs in 1920-21 but increased to Rs. 1,45 lakhs in 1921-22. The increase was mainly accounted for by large imports of coal from Natal which amounted to 340,500 tons, valued at Rs. 1,25 lakhs, in 1921-22, as against 7 thousand tons, valued at Rs. 2½ lakhs, in the preceding year. Exports to the Union increased from Rs. 1,82 lakhs in 1920-21 to Rs. 2,27 lakhs in the year under review. Exports of jute bags increased and there were also considerable re-exports of apparel to Natal.

*Australia.*—The value of the total trade with Australia likewise increased from Rs. 7,50 lakhs in 1920-21 to Rs. 13,49 lakhs to which exports contributed Rs. 4,05 lakhs as against Rs. 6,30 lakhs in 1920-21, and imports Rs. 9,44 lakhs as against Rs. 1,20 lakhs in 1920-21. This increase was due entirely to the importation of 400 thousand tons of wheat, valued at Rs. 8½ crores, as compared with nil in the previous year. India also increased her purchases of wool and condensed milk, while imports of horses, biscuits and jams and jellies decreased and there were no imports of copper. As regards the export trade, Australia took jute bags to the value of Rs. 2,34 lakhs against Rs. 4,30 lakhs in 1920-21 and also decreased her demands for rice and linseed. Tea, coffee, and raw goatskins were exported in larger quantities than in the preceding year.

#### FOREIGN COUNTRIES.

The following table shows the imports from and exports to European and other foreign countries :—

1922]

## THE TRADE OF INDIA

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Countries.	IMPORTS.				EXPORTS.			
	1913-14	1919-20	1920-21	1921-22	1913-14	1919-20	1920-21	1921-22
	R (lakhs)	R (lakhs)	R (lakhs)	R (lakhs)	R (lakhs)	R (lakhs)	R (lakhs)	R (lakhs)
<b>European Countries—</b>								
Russia ..	6	15	22	5	2 47	..	..	..
Sweden ..	52	57	1 89	90	42	34	27	28
Norway ..	23	48	1 70	38	5	24	52	25
Germany ..	12 67	4	1 75	7 25	26 42	1 39	8 82	16 34
Netherlands ..	1 55	99	3 03	2 36	4 42	1 64	1 39	2 73
Belgium ..	4 26	70	5 13	5 33	12 10	10 10	12 84	8 03
France ..	2 69	1 77	3 64	2 23	17 72	16 76	9 54	9 90
Spain ..	19	54	34	29	2 23	2 36	2 83	1 84
Switzerland ..	69	80	2 28	1 02	..	53	26	1
Italy ..	2 20	1 37	4 13	2 00	7 89	8 38	6 71	5 85
Austria—Hungary ..	4 29	13	64	20	10 01	37	86	85
Turkey, European ..	1	..	10	..	11	35	34	24
Other Countries ..	15	1	19	52	73	1 45	1 08	58
<b>TOTAL EUROPEAN COUNTRIES ..</b>	<b>29 51</b>	<b>7 55</b>	<b>28 24</b>	<b>22 59</b>	<b>84 57</b>	<b>43 91</b>	<b>45 46</b>	<b>46 90</b>

Countries.	IMPORTS					EXPORTS				
	1913-14	1919-20	1920-21	1921-22	1912-14	1919-20	1920-21	1921-22		
	R (lakhs)	B (lakhs)	R (lakhs)	R (lakhs)	R (lakhs)	R (lakhs)	R (lakhs)	R (lakhs)		
Other Foreign Countries—										
Turkey, Asiatic	..	57	84	86	..	2.94	8.75	7.11	19	
Persia	..	71	2.30	1.34	1.66	1.41	5.29	3.96	3.43	
Java	..	10.75	19.64	15.62	23.71	1.95	2.00	3.06	4.14	
China	..	1.71	3.83	3.03	2.60	5.71	11.01	8.44	11.13	
Japan	..	4.78	19.15	26.43	13.58	22.69	46.86	24.24	38.68	
United States	..	4.79	25.27	35.30	21.61	21.85	48.78	37.85	25.60	
Cuba	..	..	..	..	..	56	1.96	1.78	1.04	
Argentina	..	..	..	..	..	3.14	6.38	5.29	2.44	
Chile	..	..	4	..	..	1.06	87	2.13	20	
Other Countries	..	2.36	3.90	3.20	3.23	8.61	8.08	8.84	10.79	
TOTAL OTHER FOREIGN COUNTRIES	25.07	74.97	85.78	66.39	69.92	1.39.98	1.02.70	97.64		

*Japan.*—Japan succeeded in ousting the United States from the second place in India's foreign trade, the value of her total trade with India increasing by Rs. 2 crores to Rs. 52 crores. There was a decrease under imports from Rs. 26 to Rs. 13 crores, but exports increased by Rs. 15 crores, from Rs. 24 to Rs. 39 crores. The total value of all sorts of cotton manufactures amounted to Rs. 6½ crores as against Rs. 15 crores in the preceding year, and represented 48 per cent of the import trade from Japan as against 56 per cent in 1920-21. 15 million lbs. of cotton twist and yarn and 90 million yards of cotton piecegoods were imported from Japan as against 20 million lbs. and 170 million yards, respectively, in 1919-20. The table below gives the figures of import under the three main groups of grey, white and coloured. Japan supplied the bulk of the imports of glassware, matches and silk manufactures as in the previous year. The value of imports of machinery and millwork, glass and glassware, hardware, paper and pasteboard, mixed or yellow metal for sheathing, electrical instruments, woollen goods, apparel, stationery, and silk manufactures decreased, while cement and matches increased. Raw cotton accounted for 84 per cent of the total value of exports to Japan. The quantity rose by 89 per cent to 1,760 thousand bales and the value by 59 per cent to Rs. 32½ crores. As compared with the pre-war average the quantity showed an increase of 748 thousand bales. In this connection it is interesting to note that the number of looms in the Japanese cotton mills has increased from 8,140 in 1905 to 17,702 in 1910, 30,068 in 1915, and 60,893 in 1921. And their estimated total consumption of cotton has increased from 944 thousand bales in 1905 to 2,100 thousand bales in 1921. Shipments to Japan of raw jute, gunny bags, indigo, paraffin wax, bones, rape and sesamum cake, rice and shellac increased, while opium decreased.

## IN THOUSANDS OF YARDS.

	1913-14	1919-20	1920-21	1921-22
Grey ...	7,108	62,743	150,428	83,490
White	58	2,753	3,820	1,861
Coloured, etc.	1,735	10,456	16,075	4,924

*The United States.*—The United States fell back to third place in India's foreign trade in 1921-22. The value of imports of American goods decreased to Rs. 22 crores, a decrease of Rs. 14

crores as compared with 1920-21 and an increase of Rs. 17 crores as compared with 1913-14. Exports decreased by Rs. 12 crores or 33 per cent to Rs. 26 crores. In the pre-war year exports were at Rs. 22 crores and imports at nearly Rs. 5 crores. The principal articles imported from the United States were motor vehicles (Rs.  $\frac{1}{2}$  crore), mineral oils (Rs. 5 crores), iron and steel (Rs.  $4\frac{1}{2}$  crores), machinery and millwork (Rs.  $4\frac{1}{2}$  crores) and hardware (Rs. 1 crore). These five articles accounted for about 70 per cent of the total import trade. The number of motor cars imported decreased from 10,120 to 802. The quantity of iron and steel imported decreased by 26 per cent to 84 thousand tons and in value by 15 per cent to Rs.  $4\frac{1}{2}$  crores. 52 million gallons of mineral oil were imported as against 50 millions in 1920-21 and 52 millions in the pre-war year. The value of machinery and mill-work rose to Rs.  $4\frac{1}{2}$  crores from Rs. 4 crores, while hardware and instruments fell to Rs. 1 crore each as against Rs.  $2\frac{1}{2}$  and  $1\frac{1}{2}$  crores in 1920-21. There was also a decrease in the imports of railway plant and rolling stock. The bulk of the exports to the United States consisted of raw and manufactured jute (nearly Rs. 14 crores), shellac (Rs. 5 crores,) and raw hides and skins (Rs.  $3\frac{1}{2}$  crores). These articles accounted for 86 per cent of the total value. The quantity of raw jute exported decreased by 40 per cent to 66 thousand tons, gunny bags to 53 millions in number from 72 millions, and gunny cloth to 817 millions from 933 million yards. The total value of jute manufactures decreased from Rs. 21 crores to Rs. 12 crores. Exports of raw hides and skins increased from 11 thousand tons to 17 thousand tons. The quantity of shellac increased by 45 thousand cwt. to 252 thousand cwt. but the value decreased from Rs. 5.19 to over Rs. 4.96 lakhs. There was a considerable increase in the exports of tea, from 3,147 thousand lbs to 7,981 thousand lbs. as compared with a pre-war average of 2,439 thousand lbs.

*Java*.—Trade with Java increased considerably on account of the large imports of sugar. The value of sugar, 16 D. S. and above, imported amounted to nearly Rs. 23 crores, representing 97 per cent of the total imports from Java, and was 62 per cent more than in 1920-21. The quantity increased by 210 per cent from 201 thousand tons to 623 thousand tons. Exports to Java also increased from Rs. 3 crores to Rs. 4 crores, rice not in the husk contributing Rs. 1.65 lakhs to this increase, while there were decreases under opium (Rs. 12 lakhs) and gunny bags (Rs. 20 lakhs).

*Germany*.—Germany made considerable progress in the restoration of her trade connection with India. Imports therefrom increased in value by 52 per cent from Rs. 4.75 lakhs in 1920-21 to Rs. 7.25

lakhs in 1921-22, but were still 23 per cent below the pre-war average. India's exports to Germany expanded even more, from Rs. 8,82 lakhs in 1920-21 to Rs. 16,34 lakhs in 1921-22, an increase of 85 per cent, but were still 27 per cent less than the pre-war average. The extent to which Germany improved her position in India's foreign trade relatively to other countries has already been commented upon in the first part of this chapter. The following figures show the extent of Indo-German trade during the past two years as compared with the pre-war average :—

		Pre-war average	1920-21	1921-22
		Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports	...	9,35	4,75	7,25
Exports including re-exports	...	22,36	8,82	16,34

It will be noticed that the balance of trade remains steadily in India's favour and in approximately the same proportion as before the war, though with higher prices the volume of trade is considerably less.

The principal articles imported from Germany are noted below with quantities and values for the last two years as compared with the pre-war average :—



		Prewar average (1909-10 —1913-14)	1920-21	1921-22
Alizarine and aniline dyes	{ lbs. (000)	11,671	3,653	5,850
	{ Rs. (000)	77.20	1,16.97	1,38.26
Iron and steel ..	{ Tons	136,000	15,000	60,000
Hardware ..	{ Rs. (000)	1,55.02	57.89	1,23.76
Machinery and mill-work ..	{ Rs. (000)	57.24	29.11	60.82
Glass and glassware ..	{ Rs. (000)	30.27	17.11	55.17
Liquors—	{ Rs. (000)	23.69	20.32	31.45
Ale, beer and porter	{ Gallons (000)	521	113	393
	{ Rs. (000)	13.14	5.08	14.83
Spirit ..	{ Gallons (000)	148	4	21
	{ Rs. (000)	5.43	1.11	3.36
TOTAL LIQUORS	{ Gallons (000)	687	121	419
	{ Rs. (000)	19.41	6.66	18.76
Paper and pasteboard—	{ Cwt.	66,700	13,600	26,600
Printing paper ..	{ Rs. (000)	7.15	6.28	7.14
TOTAL PAPER AND PASTE-BOARD ..	{ Rs. (000)	21.82	18.70	18.58
Woollen manufactures ..	{ Rs. (000)	90.62	8.96	15.96
	{ Tons	57,800	101,100	41,000
Salt ..	{ Rs. (000)	9.46	34.99	12.71
Haberdashery and millinery	{ Rs. (000)	22.10	6.82	10.06
Cotton manufactures—	{ Rs. (000)	15.96	1.68	2.24
Hosiery ..	{ Yds. (000)	4,016	199	98
Coloured piecegoods	{ Rs. (000)	22.30	5.98	1.53
Blankets (two years' aver- age only ..	{ lbs. (000)	9,843	189	155
TOTAL COTTON MANU- FACTURE including Twist and yarn ..	{ Rs. (000)	53.28	1.32	1.01
	{ Rs. (000)	83.71	9.33	6.34
Goods of silk mixed with other materials	{ Yds. (000)	1,514	415	72
	{ Rs. (000)	15.89	16.10	1.77

As compared with the preceding year, increases were noticeable particularly in dyes, iron and steel, hardware, machinery, glassware, beer, and printing paper, while there were decreases under salt, cotton goods, and silk goods. As compared with the pre-war averages, dyes and salt showed increases in value but decreases in quantity, and the values of hardware, machinery, and glassware also increased. Germany was not able to maintain the improvement in her share of the trade in cotton, coloured goods and blankets which she had made in 1920-21.

The principal articles of export to Germany are shown below:—

Pre-war average 1920-21. 1921-22.  
1909-10—1913-14.

Jute, raw	Tons	164,400	72,100	144,000
Grain, pulse & flour—	Rs. (000)	4,90.40	2,37.25	4,20.79
Rice . . .	Tons	344,600	51,300	231,300
Wheat . . .	Rs. (000)	3,41.37	78.65	3,97.89
	Tons	16,300	27,700	13,100
	Rs. (000)	17.37	48.48	22.67
TOTAL (including other sorts)	Tons	463,800	88,600	244,600
Cotton raw, . .	Rs. (000)	4,43.30	1,40.01	4,20.68
	Tons	62,600	36,000	41,900
Seeds . . .	Rs. (000)	4,45.06	3,43.63	3,73.68
	Tons	177,500	27,600	62,700
Hides and skins, raw.	Rs. (000)	3,45.50	78.04	1,52.61
	Tons	18,600	3,700	11,800
Lac . . .	Rs. (000)	2,53.97	38.11	92.66
	Cwts	83,200	4,000	32,500
Coir manufactures .	Rs. (000)	37.67	5.73	31.60
	Tons	10,500	1,600	4,900
Manures—Dones	Rs. (000)	22.55	4.63	13.51
	Tons	10,400	8,000	6,400
Hemp, raw . . .	(Rs. (000)	7.59	7.77	6.19
	Cwts	56,900	,600	58,900
	Rs. (000)	5.48	1.86	6.08

It will be observed that there has been a substantial recovery of India's pre-war trade with Germany, particularly in raw jute, raw cotton, hides and skins, seeds, raw hemp and rice. Her demand in raw jute increased to 144,000 tons which is nearly nine-tenths of the pre-war average. Throughout the year the bulk of the export trade to Germany was done against London credits.

*Belgium.*—The value of the trade of Belgium with India amounted to R13½ crores as against R18 crores in 1920-21 and R16 crores in 1913-14. Imports were valued at R5½ crores, the chief items being iron and steel (R3½ crores), glass and glassware, machinery and millwork, cotton manufactures, motor cars, brass, paper and pasteboard and dyes. Exports mostly consisted of raw cotton (R3½ crores), oilseeds (R2½ crores), raw jute (R60 lakhs) and manganese ore (R64 lakhs).

*France.*—There was a decrease of a crore of rupees in the total trade of India with France, from R13 crores to R12 crores, accounted for by a decline in imports from R3½ to R2½ crores as against an increase of R36 lakhs on the export side. Her exports to India of liquors, gold and silver thread, lametta and motor cars decreased, while she took more groundnuts (+ R2½ crores), linseed (+ R½ crore), and raw cotton (+ R31 lakhs) and less raw jute (—R½ crore) and jute manufactures (—R1 crore).

*Italy.*—Imports from Italy decreased from R4 crores to R2 crores. Cotton manufactures, chiefly coloured piecegoods, decreased to R19 lakhs as against R1½ crores in 1920-21. Other noticeable decreases were in motor cars and motor wagons, rubber tyres, apparel, glass and glassware, and haberdashery and millinery. Exports were valued at nearly R6 crores as against R6½ crores in the previous year. Shipments of raw cotton decreased by over R1 crore, while there were increases under oilseeds, rice, and cow hides.

*Netherlands.*—The Netherlands exported to India more provisions and beer, but less cotton and woollen piecegoods and paper and pasteboard than in 1920-21. She took more rice, raw goat-skins, linseed, and rapeseed, but less wheat and raw cotton.

*Mesopotamia.*—The value of the imports from Mesopotamia was R91 lakhs and of exports R3,53 lakhs. Dates were imported to the extent of 33,200 tons, valued at Rs. 60 lakhs, as against 31,900 tons, valued at R70 lakhs, in 1920-21. Cotton twist and yarn, wheat, and indigo showed decreases on the export side. The exports of tea also decreased from 4½ million lbs. valued at R22 lakhs, to 2½ million lbs. valued at R11½ lakhs.

*China.*—Trade with China increased by R2½ crores to R13½ crores, mainly on account of larger shipments of raw cotton. She, however, took a smaller quantity of cotton twist and yarn than in 1920-21.

*South America.*—The Argentine Republic reduced her demands for gunny cloth by 60 million yards to 149 million yards, while Chile took only 4 millions of gunny bags as against 54 millions in 1920-21. Peru also reduced her demand for gunny bags from 5 to 3 millions. Shipments of raw jute to Brazil increased by 4,700 tons to 13,400 tons.

## CHAPTER V

### Frontier and Indo-Burma Trade.

#### 1. FRONTIER TRADE.

The bulk of India's foreign trade is sea-borne, and the value of the trade across the land frontier of British India, which extends over about 6,800 miles, is only 5 per cent of the total sea-borne trade and amounted to R30 crores in 1921-22, a decrease from 1920-21 of 11 per cent, but 60 per cent more than the pre-war average. The following table shows separately the figures of merchandise and treasure included in this trade.

	Pre-war average	1919-20	1920-21	1921-22
	R (lakhs)	R (lakhs)	R (lakhs)	R (lakhs)
<b>Merchandise—</b>				
Imports	9,04	14,85	16,02	15,12
Exports	7,59	15,27	15,19	12,58
<b>Treasure—</b>				
Imports	1,14	2,17	2,14	2,06
Exports	93	65	65	54
<b>GRAND TOTAL.</b>	<b>18,70</b>	<b>32,94</b>	<b>33,97</b>	<b>30,30</b>

The following table shows the imports and exports of merchandise from and to the principal countries according to the geographical distribution of this trade :—

The following table shows the imports and exports of the countries according to the geographical distribution of this trade :—													
	PRE-WAR AVERAGE						OFFICIAL REVIEW OF						[1921—
	1919-20			1920-21			1921-22			In lakhs of Rupees			
	Imports	Exports	Total	Imports	Exports	Total	Imports	Exports	Total	Imports	Exports	Total	
N.W. Frontier—													
Afghanistan .	1.07	1.53	2.60	2.96	2.41	5.37	1.33	1.54	2.87	81	135	216	
Persia .	3	15	18	3	1.03	1.06	36	1.05	1.41	47	84	131	
Central Asia.	4	5	9	24	88	1.12	48	86	1.34	30	47	77	
Dir, Swat and Bajaur .	69	77	1.16	39	80	1.19	41	82	1.23	32	65	97	
N. & N. East Frontier—													
Nepal .	3.95	1.93	5.88	5.20	2.91	8.11	5.97	2.82	8.73	5.91	2.49	8.40	
Tibet .	25	14	39	66	32	98	61	31	92	55	23	78	
Sikkim .	15	12	27	51	16	67	56	15	71	68	13	81	
Bhutan .	9	15	24	5	3	8	12	8	20	9	4	13	
E a s t e r n Frontier—													
Shan States .	1.79	1.70	3.49	3.13	4.86	7.99	3.98	5.18	9.16	3.96	4.65	8.61	
Western China.	21	48	69	73	1.16	1.89	66	1.01	1.67	85	1.00	1.85	
Siam .	32	21	53	52	21	73	50	24	74	41	16	57	
Karennee .	25	4	29	23	8	31	30	5	35	7	3	10	

**Nepal.**—Of the trade (in merchandise) which crosses the North and North-Eastern Frontier, that with Nepal is always the largest. In 1921-22 it amounted to Rs. 40 lakhs or 30 per cent of the whole frontier trade as compared with Rs. 79 lakhs in the preceding year. The imports of grain and pulse (mainly rice), ghi, and lac increased, while those of fruits, vegetables and nuts, oilseeds, spices, tobacco and raw wool decreased. The total imports of food grains from Nepal amounted to 220,600 tons as compared with 164,400 tons in the preceding year. Of this unhusked rice accounted for 133,000 tons and husked rice 55,000 tons as compared with 102,000 tons and 40,000 tons respectively in 1920-21. The exports of cotton yarn and piecegoods to Nepal decreased to Rs. 98 lakhs from Rs. 123 lakhs in 1920-21 as also those of cotton raw to Rs. 1 lakh from Rs. 16 lakhs in the preceding year.

**Tibet.**—The trade with Tibet amounted to Rs. 78 lakhs, of which imports of wool accounted for Rs. 33 lakhs.

**Afghanistan.**—Of the trade which crosses the North-Western Frontier that with Afghanistan is the most important. This trade fell by 25 per cent to Rs. 2.16 lakhs on account of the disturbed state of the frontier. The value of imports therefrom amounted to Rs. 1 lakhs and that of exports to Rs. 1.35 lakhs, showing a decrease of 39 and 12 per cent, respectively, as compared with the preceding year. Imports of fruits, vegetables and nuts again fell off considerably from 130,000 cwts valued at Rs. 48 lakhs, to 45,000 cwts valued at Rs. 20 lakhs, in 1921-22, owing to a poor almond crop in Afghanistan. Imports of wool, ghi, and seeds also decreased, while shawls, cotton goods and leather showed increases. More raw wool, ghi and liquors were taken; but cotton piecegoods, sugar, wheat and tea decreased.

**Shan States.**—The Eastern Frontier trade is chiefly with the Shan States, the total value amounting to Rs. 861 lakhs, a decrease of 6 per cent as compared with 1920-21. The production in Burma of lead in the mines near Namtu amounted in 1921 to 33,717 tons as compared with 23,821 tons in 1920, and that of silver to 3,555,000 ounces as compared with 2,869,700 ounces in 1920. Imports of lead from the Northern Shan States into Burma increased to 677,000 cwts, valued at Rs. 1.28 lakhs, as compared with 534,000 cwts, valued at Rs. 1.40 lakhs, in 1920-21. Silver worth Rs. 1.08 lakhs was imported in the year under review as compared with Rs. 98 lakhs in the preceding year.

The shares of the various provinces in the total land frontier trade of 1921-22 as compared with the previous two years are shown below :—

40(a)

IMPORTS AND EXPORTS OF  
MERCHANDISE

1919-20 1920-21 1921-22

Rs. (lakhs) Rs. (lakhs) Rs. (lakhs)

Sind and British Baluchistan (chiefly with Kandahar, Herat and Persia)...	4,22	3,74	3,00
North-West Frontier Province (chiefly with Kabul, Ghazni, Dir, Swat and Bajaur and Waziristan) ...	3,91	3,45	2,47
Kashmir (chiefly with Chinese Turkistan) ...	67	81	51
Punjab (chiefly with Central Asia) ...	61	75	56
United Provinces (chiefly with Nepal)	2,45	2,70	2,60
Bihar and Orissa (with Nepal only) ...	5,18	5,14	5,30
Bengal (chiefly with Sikkim) ...	2,02	2,45	1,98
Assam (chiefly with Naga and Mishmi Hills) ...	13	23	13
Burma (chiefly with Shan States and China) ...	10,93	11,94	11,14

## II.—COASTING TRADE BETWEEN BURMA AND OTHER PROVINCES.

Trade in private merchandise between Burma and other provinces for the last three years as compared with pre-war figures is shown in the statement below :—

## IMPORTS

	Pre-war average	1919-20	1920-21	1921-22
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Bengal ...	6,02	10,88	11,36	10,92
Bombay ...	82	2,93	2,78	2,72
Sind ...	4	1	2	6
Madras	1,48	2,00	1,83	3,09
TOTAL	8,36	15,82	15,99	16,79

## EXPORTS

	Pre-war average	1919-20	1920-21	1921-22
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Bengal	5.09	13.13	9.93	10.72
Bombay	3.04	11.46	11.23	11.29
Sind	24	88	90	92
Madras	3.40	7.13	5.84	6.52
<b>TOTAL ...</b>	<b>11.77</b>	<b>32.60</b>	<b>27.90</b>	<b>29.45</b>

## IMPORTS INTO BURMA.

The two most noticeable features in the trade during 1921-22 were decreased importation of coal and increased importation of piecegoods.

*Coal.*—Although the total imports of coal into Burma from all sources were abnormally high, supplies from Bengal fell from 431 thousand tons in 1920-21 to 377 thousand tons in 1921-22 as compared with the pre-war average of 413 thousand tons. Before the war imports from Bengal were always more than 90 per cent of the total importations, but in the year under review Bengal supplied only 63 per cent. The marked falls in foreign freights and world's coal prices which enable coal from the United Kingdom, Australia, Japan and East Africa to compete with Indian supplies were the chief causes of this change, although they were assisted also by labour troubles on the East Indian Railway.

*Cotton piecegoods and yarn.*—Despite the striking fall in the importations of foreign piecegoods the imports of Indian-made piecegoods into Burma rose from 27,769 thousand yards valued at 161 lakhs of rupees in 1920-21 to 36,872 thousand yards valued at 187 lakhs of rupees in 1921-22. And the imports of Indian yarn were also exceptionally high—20 million lbs in 1921-22 as compared with 19 million lbs in 1920-21 and the pre-war average of 10 million lbs.

*Fuel oil.*—Although total importations of fuel oil into Burma increased, imports from Assam, a trade of five years' standing, fell from 24 thousand tons in 1920-21 to 11 thousand tons in 1921-22.



## EXPORTS FROM BURMA.

**Rice.**—Exports to India fell from 970 thousand tons to 890 thousand tons, but this is still more than double the pre-war average, so that the increased demand from India seems likely to become a permanent feature of the Burma rice trade. As usual, Bombay was the principal purchaser and took 492 thousand tons, Bengal took 227 thousand tons, and Madras 169 thousand.

**Mineral oils.**—Indian consumption of kerosene and petrol from Burma increased considerably, the former from 105 million gallons in 1920-21 to 131 million gallons in 1921-22, and the latter from 14·6 million gallons in 1920-21 to 16·4 million gallons in 1921-22. Shipments of petrol in bulk have steadily increased. All the major ports now have facilities for bulk handling of petrol, arrangements at Bombay having been completed in May 1922.

**Lac.**—Exports of lac from Burma to India showed a considerable increase from Rs. 20 lakhs in 1920-21 to Rs 48 lakhs in 1921-22, as compared with less than three lakhs, the pre-war average, and Rs. 32 lakhs in 1919-20. These shipments consist almost entirely of sticklac despatched to Calcutta for refineries in Bengal and the United Provinces.

**Timber.**—Exports of timber fell, teakwood from 190 thousand cubic tons to 160 and other timber from 43 thousand cubic tons to 30, as compared with 128 and 28, the pre-war averages.

## CHAPTER VI:

## Balance of Trade and Movements of Treasure.

## I.—BALANCE OF TRADE.

In normal years there is a large surplus of exports over imports of private merchandise, which is liquidated by the payment of interest on the debt and other Home charges and the importation of the precious metals. The average credit balance of merchandise was ₹78 crores in the five pre-war years and ₹76 crores during the war years. In 1919-20, a year of an unprecedentedly large volume of trade, this credit balance rose to ₹129 crores. In 1920-21, however, there was a debit balance of nearly ₹78 crores. The year under review also showed a debit balance, but of ₹21 crores only. The causes of this reversal of the ordinary balance of trade have been analysed in Chapters I to III, the chief cause being that owing to their reduced purchasing power India's customers did not

absorb her produce in quantities enough, or at prices high enough, to enable her to pay for her imports.

The following table shows the movements of merchandise and the trade balance in each month of 1921-22.—

Month	Imports	Exports	Excess Net Imports - Net Exports +	Excess in the corresponding month of 1920-21
1921—				
April ... ..	25,87	18,04	- 7,83	+ 6,76
May ... ..	20,74	19,62	- 1,12	+ 4,33
June ... ..	19,46	16,64	- 2,82	- 2,83
July ... ..	17,71	17,47	- 24	- 7,57
August ... ..	20,80	19,77	- 1,03	- 10,30
September ... ..	19,71	20,20	+ 49	- 6,97
October ... ..	23,37	18,20	- 5,17	- 10,70
November ... ..	26,41	20,12	- 6,29	- 12,77
December ... ..	23,16	21,95	- 1,21	- 11,53
1922—				
January ... ..	27,62	23,24	- 4,38	- 12,48
February ... ..	20,00	22,41	+ 2,41	- 7,81
March ... ..	21,49	27,78	+ 6,29	- 5,68
TOTAL ... ..	2,66,34	2,45,44	- 20,90	- 77,55

In the first month of the year, as in the preceding ten months, June 1920 to March 1921, there was a large excess of imports over exports, amounting to nearly Rs 8 crores, as against a favourable balance of nearly Rs 7 crores in April 1920. Imports were greatly reduced in the following five months while exports maintained their level, and there was actually an excess of exports over imports in the month of September to the extent of Rs 19 lakhs. In the subsequent four months, which were marked by the cataclysmic depreciation of the German mark and the consequent dwindling of German demand for Indian exports, imports were inflated with the unusual landings of foreign wheat and coal and reached over Rs 27½ crores in January. Exports also rose but the net import:

amounted to Rs. 17 crores, as against Rs. 17½ crores in the corresponding period of 1920-21. In the last two months imports fell to the level of the first half-year, and there was a favourable balance of Rs. 9 crores as against an adverse balance of Rs. 13½ crores in the previous year.

As in 1919-20, there was a net import of private treasure in the year under review, which amounted to Rs. 12 crores as compared with a net export of Rs. 1½ crores in 1920-21. The first six months of the year showed a favourable margin on export side except in the month of May when there was a net import of Rs. 82 lakhs. From October onwards imports exceeded exports culminating in the month of March 1922 when the net imports reached the high figure of nearly Rs. 6 crores.

Chart No. 5 shows the net import of export or treasure and also of gold and silver separately, on private account during the past two years.

The visible balance of trade as measured by the statistics of merchandise, treasure, unissued rupee paper, etc., during 1921-22 was against India to the extent of Rs. 32 crores, as compared with a debit balance of Rs. 48½ crores in the previous year and a credit balance of nearly Rs. 99 crores in 1919-20. The average of the war-period was in favour of India to the extent of Rs. 35 crores, while that of the pre-war years, 1909-14, was against India to the extent of half a crore. So that this reduction in the adverse balance indicates a tendency to return to normal trade conditions.

The following statement summarises the position :—

(IN LAKHS OF RUPEES)					
	Pre-war average.	War average	1919-20	1920-21	1921-22
Exports of Indian merchandise (private)	+2,19.50	+2,15.97	+3,12.28	+2,40.01	+2,31.38
Re-exports of Foreign merchandise (private) ...	+4.62	+8.14	+17.78	+18.04	+14.06
Imports of Foreign merchandise (private) ...	-1,46.85	-1,47.80	-2,00.80	-3,35.60	-2,66.34
(1) Balance of trade in merchandise	+78.27	+76.31	+1,29.26	-77.55	-20.90
Gold (private)* ...	-28.87	-7.81	-10.97	+8.88	+2.79
Silver (private)* ...	-7.21	-2.99	+15	-7.59	-14.95
(2) Balance of transactions in treasure (private) ...	-36.08	-10.80	-10.82	+1.29	-12.16
Council Bills and Telegraphic Transfers paid in India ...	-41.35	-34.96(a)	-36.81(b)	....	....
Sterling Transfers on London sold in India ...	+5	+5.50	+18.58	+28.55	....
Transfers of Government securities ...	-87	-38	-1,34	-56	+1.53
Interest drafts on India in respect of Government of India securities ...	-44	-30	-28	-23	-27
(3) Balance of remittances of funds ...	-42.61	-30.14	-19.85	+27.76	+1.26
Total visible balance of trade ...	-42	+35.37	+98.59	-48.50	-31.80

\* Excludes transactions which do not enter into the balance of trade

(a) Includes Rs 85 lakhs being the funds supplied by Government to finance wheat purchases

(b) Includes Telegraphic Transfers from the Bank of Montreal Rs. 2.96 lakhs

+ Net Export — Net Import

It should be borne in mind, however, that it is not possible to estimate India's "invisible" exports, such as the value of shipping services, interest on private foreign investments, insurance, commercial services, etc.

## II.—MOVEMENTS OF TREASURE.

As in 1920-21, the imports and exports of gold and silver were of great importance in the year under review. The following table shows the imports and exports of coin and bullion on private account during the last three years as compared with the averages of the pre-war and war periods :—

	(IN LAKHS OF RUPEES)					
	GOLD		SILVER		NET	
					Imports— Net	
	Imports	Exports	Imports	Exports	Exports +	
Average of pre-war period	.. 32.79	3.92	10.88	3.67	—36.08	
Average of war period	.. 10.60	2.99	4.56	1.77	—10.40	
1919-20	.. 10.97	6.93	15	59	—3.60	
1920-21	.. 12.51	21.39	10.90	4.41	+2.39	
1921-22	.. 13.82	16.61	17.33	2.38	—1.16	

The unusual export of gold from India during the second half of 1920-21, which took place in order to liquidate the excess of imports over exports of merchandise, continued in the first half of 1921-22 and was then replaced by an equally marked import of gold, together with large imports of silver, and these importations dominated exchange during the latter half of the year.

The imports were stimulated by the low sterling price in London which was 115s. 2d. per fine ounce in August, 1921, and declined to 95s. at the end of March 1922. The price of country gold in Bombay correspondingly stood at Rs. 33 and Rs. 28-13 per tola. The bulk of the exports of gold went to the United States (Rs. 11.96 lakhs) and Japan (Rs. 4.60 lakhs, a part of which subsequently found its way to the United States of America). There were large imports of gold into India from Mesopotamia (Rs. 3.58 lakhs), Australia and New Zealand (Rs. 1.54 lakhs) and Aden and Arabia (Rs. 1.12 lakhs), in payment for the exports of merchandise to these countries. Besides these, the United Kingdom contributed Rs. 5.90 lakhs and the United States of America Rs. 1.32 lakhs.

There were no imports of gold on Government account during the year as against Rs. 11.06 lakhs in 1920-21. The exports on Government account amounted to Rs. 7 lakhs to the Bahrein Islands as in the preceding year.

The general trade depression greatly curtailed the world-demand for silver. Nevertheless there was heavy buying on Chinese account, and shipments to India were 53 per cent greater than those in the previous year, despite the fact that the Government of India again did not buy any silver for coinage purposes. As in the case of gold, the net imports of silver were largest in the latter half of the year. A net export to China of Rs. 78 lakhs and the return of silver coin from East Africa, whence the rupee has been demonstrated, were noticeable features of the year's trade.

Silver prices were very much more steady than in the previous year. The highest quotation in London was less than one half of the maximum of 1920, when the record figure of 89½d. was reached, and the range between the highest and lowest quotations was 11½d. (the highest 43½d. in September, 1921, and the lowest 32½d. at the end of February, 1922) as against 41½d. in the year before. Notwithstanding Chinese demand, prices weakened from October to December, mainly on account of the melting down of Continental silver coinage. And in the last quarter of the year Chinese demand fell away and India became the main support of the silver market.

# Tables

Of the 63 Tables attached to the main Report the most important and comprehensive is the Table No. 12 which alone is reproduced here in the following pages. For further details the reader is referred to the original report—The Review of Trade of India 1921–22 published by order of the Governor-General in Council in 1923.

TABLE NO. 12.

Value of Trade with Principal Countries, Distinguishing Principal Articles  
(in thousands of Rupees)

ARTICLES  
Pre-war average      1919-20      1920-21      1921-22

## UNITED KINGDOM

## Imports therefrom—

Apparel ..	..	5929	7412	16059	5255
Arms, ammunition, etc. ..	..	3060	2583	5502	5928
Artificial silk yarn ..	..	..	1461	596	173
Belting for machinery ..	..	3626	4754	13105	8826
Bobbins ..	..	..	1774	5166	9985
Books and printed matter ..	..	4105	3901	6086	4489
Boots and shoes ..	..	5133	1491	5695	1004
Building materials ..	..	5989	9490	18044	13066
Carriages and carts ..	..	1911	1722	4971	3166
Chemicals ..	..	6955	12221	20115	13637
China clay ..	..	..	884	2754	2016
Coal and coke, etc. ..	..	4133	385	587	29842
Cordage and rope ..	..	439	680	820	456
Cotton—					
Raw ..	..	5867	<sup>2</sup>	7370	15091
Twist and yarn ..	..	33518	353.60	79525	87721
Piecegoods—					
Grey ..	..	207355	192393	187204	183833
White ..	..	108738	153023	208790	122669
Coloured ..	..	112972	112210	305365	64808
Other manufactures ..	..	14025	15235	30189	14960
Cutlery ..	..	1053	1064	2303	878

TABLE NO. 12

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TABLE NO. 12.—*Contd.*  
 VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES  
 (In thousands of Rupees)

ARTICLES					Pre-war average	1919-20	1920-21	1921-22	
UNITED KINGDOM—Contd.					..	2940	2770	8478	1346
Cycles and parts	..	..	..	..	5403	7670	10821	7243	7886
Drugs and medicines	..	..	..	..	690	5518	9989	5642	4364
Dyeing and tanning substances	..	..	..	..	3050	2515	5883	2895	4436
Earthenware and Porcelain	..	..	..	..	2883	3393	6667	12781	2985
Flax manufactures	..	..	..	..	2226	3225	4353	52524	36770
Glass and glassware	..	..	..	..	6121	20516	39287	35450	1696
Haberdashery and millinery	..	..	..	..	18861	11492	660	1002	767
Hardware	..	..	..	..	10488	2241	1867	1581	5858
Instruments, apparatus, etc.	..	..	..	..	1133	631	10692	6537	16031
Ivory	..	..	..	..	1451	1501	8015	20626	1759
Jewellery, etc...	..	..	..	..	1009	3659	4073	175300	284510
Jute manufactures	..	..	..	..	3859	..	..	..	8503
Leather, including hides, tanned, etc.	..	..	..	..	..	..	..	..	4154
Liquors—	..	..	..	..	..	..	..	..	100554
Ale, beer and porter	..	..	..	..	4564	3398	8015	12431	1381
Spirit	..	..	..	..	6947	14765	20626	6660	..
Wines	..	..	..	..	1362	2609	4073	178471	..
Machinery and millwork	..	..	..	..	49769	59159	175300	2226	..
Metals—	..	..	..	..	..	..	..	..	..
Copper	..	..	..	..	16745	15678	12431	..	..
Iron	..	..	..	..	2888	2832	6660	..	..
Iron or Steel	..	..	..	..	99613	84872	178471	..	..
Lead	..	..	..	..	1399	1514	2226	..	..

Steel	..	..	4202	12978	37359	9057
Others	..	..	5379	26139	43515	18148
Motor cars and motor cycles etc.	..	..	7450	7389	38466	13592
Oils, mineral ..	..	..	2231	2611	4120	3717
Oils, vegetable, animal, etc.	..	..	1776	1013	2178	1447
Packing engine and boiler	..	..	498	911	427	373
Paints and colours	..	..	4219	7353	12636	7949
Paper and pasteboard	..	..	7344	8773	31261	11167
Fire-goods of cotton and artificial silk	..	..	...	5885	9710	600
Pitch, and tar	..	..	872	851	1188	781
Polishes	..	..	948	1839	3981	1197
Provisions	..	..	13415	11545	17899	11901
Railway plant, etc	..	..	55448	40931	134782	183978
Rubber manufactures, including tyres, etc.	..	..	1645	8247	11536	6470
Salt	..	..	2344	3914	3585	2576
Ships, parts of	..	..	1800	2758	1985	8493
Silk manufactures, including yarn, etc.	..	..	1907	1165	2492	1052
Soap	..	..	5652	10824	13098	8672
Starch and farina	..	..	227	31	343	248
Stationery	..	..	4144	4696	12670	6571
Sugar	..	..	2537	1829	3224	2082
Tallow	..	..	1043	295	1290	833
Tea-chests	..	..	4132	3328	7753	5317
Tobacco	..	..	5483	13574	15974	13077
Toilet requisites	..	..	1035	1628	3051	1014
Toys and requisites for games	..	..	1675	913	2039	1149
Umbrellas	..	..	2471	899	2447	1373
Woollen manufactures, including yarn, etc.	..	..	18524	13653	47573	8747
Other articles	..	..	19191	41222	84588	53695
TOTAL	..	..	015801	1040833	207000	92

TABLE NO. 1A—*Contd.*  
**VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES**  
 (In thousands of Rupees)  
 Pre-war 1919-20 1920-21 1921-22  
 average.

## ARTICLES

UNITED KINGDOM—*Contd.*

<b>Exports of Indian produce—</b>	..	..	..	..
Barley	..	10654	8157	3858
Bran and pollards	..	4519	3975	2302
Bristles and fibres	..	1274	4727	6031
Coffee	..	5086	7441	4030
Coir, and manufactures of	..	2295	37294	19820
Cotton, raw	..	17239	704	779
“ twist and yarn	..	281	1793	3069
“ manufactures	..	1113	1409	1743
“ medicines, etc.	..	547	..	..
Drugs, medicines, etc.	..	687	1117	577
Dyeing and tanning substances	..	652	605	585
Cutch and gambier	..	2346	5655	1789
Indigo	..	3494	..	..
Myrobalans	..	3847	14445	4787
Gram	..	..	..	10341
Hemp, raw (chiefly sann)	..	5646	32353	28692
Hides and skins—	..	36793	109350	25209
Raw	..	573	740	545
Dressed or tanned	..	89652	132385	52545
Horn and hornmeal	..	7925	30814	21773
Jute, raw	..	5557	26264	22198
“ Gunny bags	..	5667	20691	15269
“ cloth	..	1939	935	1577
“ ”	..	..	..	..
Lac	..	..	..	..
Manures	..	..	..	..



TABLE NO. 12  
 VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES

ARTICLES  
 Pre-war (in thousands of Rupees)  
 average 1919-20 1920-21 1921-22

UNITED KINGDOM—Contd.

Exports of Foreign merchandise—

Apparel (excluding boots and shoes) ..	566	1331	1675	1584
Sugar 16 D. S. and above ..	3256	6905	2374	8831
Wool, raw ..	3755	15340	7510	22125
Other articles	4875	14714	24046	32540
TOTAL	12452	38290	35605	

AUSTRIA\*

Imports therefrom—

Apparel ..	691	i	399	30
Boots and shoes ..	250		11	23
Cotton manufactures ..	2215	70	249	
Cotton twist and yarn ..	308	7		
Glass and glassware ..	6898	632	4327	519
Haberdashery and millinery ..	2139		50	10
Hardware ..	2718	406	415	267
Instruments ..	198		38	212
Matches ..	907			3
Metals ..	1213		51	338
Paper and pasteboard ..	1089	53	74	74
Sugar ..	8512		18	7
Woollen manufactures, including yarn, etc. ..	896	17	756	461
Other articles ..	3831	79		
TOTAL	31875	1265	6388	1984

[1921-]

\* Figures prior to 1921-22 represent Austria-Hungary.

# Exports of Indian produce—

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TABLE NO. 12

Coffee .. ..	625	5	80	41
Cotton, raw .. ..	23618	2088	6545	5190
.. twist and yarn .. ..	53	..	..	..
Hides and skins .. ..	13042	30	119	8
Indigo .. ..	419	..	9	..
Jute, raw .. ..	13063	70	457	..
Lac .. ..	570	..	8	..
Seeds .. ..	7868	1104	952	3088
Rice (not in the husk) .. ..	16906	..	180	..
Other articles .. ..	1154	273	152	28
<hr/>				
TOTAL	77318	3570	8502	8355
<hr/>				
Exports of Foreign m.r.chandise—				
Miscellaneous articles .. ..	369	93	59	111
				649

TABLE NO. 12.—*Contd.*

VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES		(In thousands of Rupees)			
ARTICLES		Pre-war	1919-20	1920-21	1921-22
B E L G I U M.		average			
Imports therefrom—					
Cotton manufactures, including yarn	...	4212	142	7397	1293
Cutlery	...	170	36	40	5
Dyeing and tanning substances	...	1083	152	1331	712
Earthenware and porcelain	...	345	8	267	142
Glass and glassware	...	1692	1051	4667	2887
Hardware	...	558	30	408	218
Liquors	...	150	18	221	245
Machinery and millwork	...	176	1	738	899
Matches	...	244	...	...	...
Metals—					
Brass	...	37	120	322	759
Copper	...	354	...	144	343
Iron	...	1595	298	1749	3056
Iron and steel	...	4516	1320	9313	14536
Steel	...	6354	2373	13173	16459
Motor cars, etc.	...	415	4	2831	856
Paper and pasteboard	...	500	25	2190	664
Paper making materials	...	—	20	274	557
Railway plant, etc.	...	428	23	638	676
Other articles	...	4742	1359	7555	8478
TOTAL	...	2,7600	6980	53258	53294

## Exports of Indian produce—

Barley	...	...	...	3465	...	...	31296	42191	...	...
Cotton, raw	...	...	...	36824	...	...	552	335	...	32943
Dyeing and tanning substances	...	...	...	776	...	...	1713	2206	...	365
Hemp, raw	...	...	...	1373	...	...	1581	422	...	814
Hides and skins	...	...	...	1060	...	...	4099	6370	...	270
Jute manufactures	...	...	...	1369	...	...	13089	9040	...	620
" raw	...	...	...	1442	...	...	2143	3936	...	6050
Manganese ore	...	...	...	2584	...	...	1661	2495	...	6418
Manures	...	...	...	1988	...	...	...	1556	...	2090
Rice not in the husk..	...	...	...	4151	...	...	...	...	...	441
Seeds—										
Castor	...	...	...	2016	...	...	86	162	...	896
Copra or coconut kernel	...	...	...	714	...	...	150	308	...	219
Groundnuts	...	...	...	2678	...	...	3796	5441	...	6785
Linseed	...	...	...	15571	...	...	10415	5583	...	4969
Mowa	...	...	...	797	...	...	78	5,74	...	114
Poppy	...	...	...	1611	...	...	20	...	...	93
Rape	...	...	...	15162	...	...	10711	34363	...	10609
Sesamum (til or jinjili)	...	...	...	5640	...	...	2514	622	...	575
Others	...	...	...	229	...	...	501	55	...	31
Wheat	...	...	...	14622	...	...	...	3907	...	1040
Other articles	...	...	...	5408	...	...	10149	6944	...	4690
<b>TOTAL</b>	...	...	...	119420	...	...	94554	136510	...	80052
Exports of Foreign merchandise—										
Miscellaneous articles	...	...	...	261	...	...	6466	1889	...	292



TABLE NO. 12.—*Contd.*  
 VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES  
 (In thousands of Rupees)

ARTICLES		Pre-war average	1919-20	1920-21	1921-22
<b>FRANCE</b>					
<b>Imports therefrom—</b>					
Apparel	..	4003	1928	7742	2188
Chemicals	..	47	39	154	157
Clocks and watches	..	465	18	367.	60
Cotton manufactures including yarn	..	288	53	396	96
Drugs and medicines	..	265	520	580	414
Dyeing and tanning substances	..	602	480	451	413
Fruits and vegetables	..	896	1787	1026	1031
Furniture	..	14	1	62	136
Hardware	..	218	90	362	213
Haberdashery	..	825	319	1515	499
Instrument	..	420	88	408	275
Liquors	..	3804	5006	9620	6162
Machinery	..	31	18	171	385
<b>Metals—</b>					
Braas	..	16	10	54	63
Copper	..	1293	137	1062	548
Iron or steel	..	284	1	374	507
Steel	..	20	34	148	1182
Motor cars, etc.	..	594	46	2402	1104
Oils	..	82	169	604	77
Provisions	..	307	171	489	447

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TABLE NO. 12

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Rubber manufactures	..	178	2279	2507	3133
Seeds	..	51	600	346	176
Sugar	..	43	114	288	323
Silk manufactures	..	2718	822	1367	647
Wool manufactures	..	1264	68	1267	788
Toilet manufactures	..	68	44	116	71
Umbrellas	..	81	10	65	112
Other articles	..	3173	2836	2423	1132
<b>TOTAL</b>	..	22050	17688	36366	22339

Exports of Indian produce—

Coffee	..	5064	5163	2604	4532
Gram	..	2800	..	..	..
Cotton, raw	..	15139	12967	6828	9942
Hides and skins, raw	..	3368	8517	1558	1560
Horn and hornmeal	..	927	428	60	53
Jute raw	..	22521	37632	22103	17094
" bags and cloth	..	256	9525	10150	64
Lac	..	1155	980	1099	1805
Manganese ore	..	1724	853	1920	2056
Manures	..	1047	557	814	623
Pulse—	..			..	
Beans	..	182	15	..	
Lentils	..		678	..	
Other pulses	..	1380	..	..	
Rice (not in the husk)	..		..	..	
Seeds—	..				
Castor	..	2318	227	250	1553
Groundnuts	..	28166	29296	10828	38858
Linseed	..	15594	17730	4621	7939

TABLE NO. 12—Contd.

## VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES

ARTICLES	(In thousands of Rupees)			
	Pre-war average.	1919-20	1920-21	1921-22
Exports of Indian Produce.—Contd.				
Mowa or mowra ..	416	184	206	
Poppy ..	4387	3330	1435	1749
Rape ..	9617	6421	2973	2128
Sesamum (til or jinjili) ..	8536	9013	253	818
Others ..	2125	1844	443	154
Silk, raw ..	3523	2478	1627	1298
Wheat ..	11255	..	2952	
Other articles ..	6226	18135	21973	6044
TOTAL ..	147726	165973	94703	98270

## Exports of Foreign merchandise—

Miscellaneous articles ..	468	1635	676	755
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## GERMANY.

## Exports therefrom

Apparel ..	1487	..	924	955
Bobbins ..	..	..	13	408
Building materials ..	672	..	226	860
Buttons ..	..	..	206	419
Carriages ..	281	..	6	246
Chemicals ..	1062	2	754	2274
Cutlery ..	795	18	761	500
Cycles ..	175	..	155	207
Drugs and medicines ..	619	3	674	689

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Dyeing substances	..	8740	80	12034	14299
Glassware	..	2369	3	2032	3145
Hardware	..	5724	51	2911	6082
Instruments	..	1357	3	811	1476
Liquor	..	1941	..	666	1876
Machinery	..	3027	..	1711	5517
Metals—	..				
Aluminium	..	1216	..	511	1503
Brass	..	156	..	1858	2439
Copper	..	9341	..	337	2316
Iron	..	286	..	28	226
Iron or steel	..	8697	23	2517	8141
Steel	..	6519	2,12	3245	4010
Motor Cars, etc.	..	564	..	1042	524
Paints and materials	..	558	13	297	521
Paper and pasteboard	..	2182	..	1870	1858
Paper-making materials	..	161	7	1187	343
Printing materials	..	102		140	470
Railway plant	..	1219			399
Rubber manufactures	..	382		143	650
Salt	..	946		3199	1271
Stationery	..	504		633	337
Sugar	..	384		138	216
Textiles—	..				
Cotton manufactures	..	8371		933	634
Haberdashery	..	2210		682	1006
Silk manufactures	..	1681		1668	204
Wood manufactures	..	9062	8	896	1596
Toys	..	1110	1	469	946
Umbrellas	..	766	3	124	554
Other articles	..	8890	5	1378	2732
TOTAL	..	93556	432	47479	72455

TABLE NO. 12.  
VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES  
(in thousands of Rupees)

ARTICLES	Pre-war average	1919-20	1920-21	1921-22
<b>GERMANY (contd.)</b>				
<b>Exports of Indian produce—</b>				
Coir, and manufacture of	2266	..	463	1354
Cotton, raw	44506	11044	34363	37368
Fodder, bran, etc.	2284	..	116	1453
Fruits and vegetables	287	..	4	2
Hemp, raw	848	81	186	608
Hides and skins, raw	25397	60	3810	9266
Jute, raw	49040	1383	23725	42079
.. gunny bags	1538	..	4	98
.. .. cloth	883	..	..	117
Lac	3767	68	573	3160
Manures	830	..	777	619
Oils	1229	..	171	231
Rice (not in the husk)	34137	..	7865	39789
Seeds, Rape	10492	..	7012	7332
.. Copra or cocoanut kerne.	8025	..	..	49
.. Linseed	7014	576	337	883
.. Miwa	2901	..	..	40
.. Poppy	843	..	..	139
.. Sesamum (til or jinjili)	2492	..	..	64
.. Others	2784	..	445	6754

Tea	..	300	..	5	33
Wood (chiefly teak)	..	1506	..	461	529
Other articles	..	19857	647	7683	10810
					1912

22

# Exports of Foreign merchandise—

Miscellaneous articles	..	598	11	243	578

## NETHERLANDS.

### Imports therefrom—

Cotton manufactures	..	8345	6854	14307	9855
" twist and yarn	..	1114	30	648	1121
Dyeing and tanning substances	..	30	..	1550	1141
Liquors	..	164	392	990	1095
Metals	..	44	680	2848	2158
Paper and pasteboard	..	281	192	2176	1278
Provisions	..	865	542	1184	2685
Sugar	..	10	57	1228	1021
Other articles	..	1818	1160	5992	3361

### TOTAL

	12661	9907	30816	23613
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### Exports of Indian and Foreign produce—

Cotton, raw	..	783	3092	2998	811
Hides and skins, raw	..	8850	1891	213	2982
Lao	..	606	100	84	298
Rice (not in the husk)	..	21598	..	658	4238
Seeds, Linseed	..	2098	..	67	2103
" Rape	..	499	1050	43	1105
Wheat	..	203	..	2324	1208
Other articles	..	4392	10774	7545	14572

### TOTAL

	38423	16408	13917	37268
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TABLE NO. 12

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TABLE NO. 12—Contd.  
 VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES  
 (In thousands of Rupees)

ARTICLES	Pre-war average.				1920-21				1921-22			
Imports therefrom—												
Italy.												
Apparel	...	...	...	698	255	1896	431	...	...	...	...	...
Art works	...	...	...	45	98	114	317	...	...	...	...	...
Building materials	...	...	...	257	447	1578	918	...	...	...	...	...
Buttons	...	...	...	...	114	877	580	...	...	...	...	...
Chemicals	...	...	...	472	329	1012	425	...	...	...	...	...
Dyeing and tanning substances	...	...	...	149	...	334	701	...	...	...	...	...
Fruits and vegetables	...	...	...	848	4358	1136	1357	...	...	...	...	...
Haberdashery and millinery	...	...	...	432	423	1746	189	...	...	...	...	...
Glassware	...	...	...	426	325	1044	459	...	...	...	...	...
Instruments	...	...	...	170	634	948	1717	...	...	...	...	...
Liquors	...	...	...	78	227	218	247	...	...	...	...	...
Machinery	...	...	...	144	213	302	785	...	...	...	...	...
Metals—	...	...	...	...	...	...	...	...	...	...	...	...
Aluminium	...	...	...	9	...	5	928	...	...	...	...	...
Brass	...	...	...	109	300	2103	1423	...	...	...	...	...
German silver	...	...	...	...	...	3	86	...	...	...	...	...
Others	...	...	...	67	48	69	61	...	...	...	...	...
Motor cars, etc.	...	...	...	66	474	3938	1836	...	...	...	...	...
Paper and pasteboard	...	...	...	79	25	58	140	...	...	...	...	...
Rubber manufactures	...	...	...	13	1056	4638	1186	...	...	...	...	...
Stone and marble	...	...	...	248	371	824	249	...	...	...	...	...
Textiles—	...	...	...	...	...	...	...	...	...	...	...	...
Cotton—Twist and yarn	...	...	...	498	357	743	797	...	...	...	...	...

1922]

TABLE NO. 1:

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	...	...	...	4522	1704	19905	1864
Silk manufactures	...	...	...	1983	776	1982	2126
Piecegoods of cotton and silk	...	...	...	...	883	798	143
Other articles	...	...	...	3171	747	2571	1566
<b>TOTAL</b>	...	...	...	14484	18694	41843	20031

Exports of Indian produce--

Cotton, raw	...	...	...	31838	35088	35846	24093
Hides and skins, raw	...	...	...	8598	7968	3072	3360
Jute, raw	...	...	...	11489	12777	8542	8428
Spices, Pepper	...	...	...	681	1087	172	516
Rice (not in the husk)	...	...	...	297	...	462	1728
Seeds--	...	...	...	...	...	...	...
Castor	...	...	...	1605	940	449	518
Linseed	...	...	...	5486	3178	1670	3145
Sesamum (oil or jinjili)	...	...	...	2780	7625	2345	3282
Others	...	...	...	1460	5865	5598	7802
Wheat	...	...	...	3714	...	2328	1861
Other articles	...	...	...	2263	8154	6256	4245
<b>TOTAL</b>	...	...	...	70161	82182	66740	58378

Exports of Foreign merchandise--

Miscellaneous articles	...	...	...	603	1652	230	160
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TABLE NO. 12.  
VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES  
(In thousands of Rupees)

ARTICLES	Pre-war average			
	1919-20	1920-21	1921-22	
<b>NORWAY.</b>				
Imports therefrom—				
Candles of calcium ...	68	95	229	146
Hardware ...	64	121	148	119
Iron or steel—nails, screws, rivets and washers ...	250	477	1157	210
Matches ...	934	194	98	44
Milk, condensed and preserved ...	41	...	197	77
Paper and pasteboard ...	449	2858	12533	2258
Pulp of wood for making paper ...	31	447	1526	677
Toys ...	...	84	134	103
Wood—timber, other than railway sleepers ...	185	193	241	58
Other articles ...	63	856	773	134
<b>TOTAL</b>	<b>2085</b>	<b>4775</b>	<b>17020</b>	<b>3815</b>
Exports of Indian produce—				
Rice (not in the husk) ...	94	...	108	90
Hides (raw) ...	20	516	183	191
Cotton (raw) ...	55	120	249	38
Jute (raw) ...	...	328	101	68
Other articles ...	266	1451	4592	2080
<b>TOTAL</b>	<b>425</b>	<b>2415</b>	<b>5228</b>	<b>2467</b>

—1922]

TABLE NO. 12

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ROUMANIA,

Imports therefrom—

Miscellaneous articles	..	344	..	..	..
Exports of Indian produce—					
Rice (not in husk)	..	1831	..	..	..
Jute manufactures	..	532	1519	2099	592
Other articles	..	130	35	19	11

TOTAL	..	2493	1554	2118	603
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RUSSIA,

Imports therefrom—

Mineral oils	..	1986	..	410	..
Tea-chests	..	..	1496	1386	430
Other articles	..	242	35	383	41

TOTAL	..	2228	1531	2179	471
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Exports of Indian produce—

Cotton, raw	..	335	..	..	..
Jute, raw	..	2503	..	..	..
" goods	..	143	..	..	..
Rice (not in the husk)	..	498	..	..	..
Tea	..	14197	11	..	..
Other articles	..	1372	..	2	35

TOTAL	..	19048	11	2	35
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Exports of Foreign merchandise—

Miscellaneous articles	..	358	..	1	..
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TABLE NO. 12.—*Contd.*

VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES		(In thousands of Rupees)			
ARTICLES		Pre-war average	1919-20	1920-21	1921-22
SPAIN.					
Imports therefrom—					
Salt	..	..	1202	2479	2093
Other articles	..	..	543	929	773
TOTAL		..	1745	3408	2866
Exports of Indian and Foreign produce—					
Cotton, raw	..	..	7263	14821	5600
Hides and skins, raw	..	..	4823	2308	2475
Jute, raw	..	..	6451	8507	7190
Other articles	..	..	1403	2673	3155
TOTAL		..	19940	28309	18420
SWEDEN.					
Imports therefrom—					
Hardware	..	..	257	1965	1252
Machinery and millwork	..	..	..	1750	816

—1922]

Iron and steel	..	953	931	2729	1356
Matches	..	2808	1412	3487	1736
Paper and pasteboard	..	399	1007	6893	2016
Paper-making materials	..	421	908	907	1131
Other articles..	..	293	380	1109	1293

TOTAL

..	5131	5660	18840	9600
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# Exports of Indian and Foreign produce—

Cotton, raw	..	767	259	380	107
Rice (not in the husk)	..	1200	..	431	158
Wheat	..	866	..	..	923
Other articles	..	423	3128	1908	1619

TOTAL

..	3256	3387	2719	2807
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## TURKEY IN EUROPE.

# Exports of Indian and foreign produce—

Jute manufactures	..	753	2251	1160	1869
Other articles	..	841	1229	2284	522

TOTAL

..	1594	3480	3444	2391
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# Imports therefrom— Miscellaneous articles

..	51	46	6	2
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TABLE NO. 12

TABLE NO. 12—*Contd.*  
 VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES

		(In thousands of Rupees)			
ARTICLES		Pre-war average	1919-20	1920-21	1921-22
<b>CAPE OF GOOD HOPE</b>					
<b>Exports of Indian &amp; Foreign produce—</b>					
Jute gunny bags	..	1782	1077	1480	1628
Rice (not in the husk)	..	643	172	1435	175
Other articles	..	889	1933	1788	2591
<b>TOTAL</b>	..	<b>3314</b>	<b>3182</b>	<b>4703</b>	<b>4394</b>
<b>KENYA COLONY (INCLUDING ZANZIBAR AND PEMBA).</b>					
<b>Imports therefrom—</b>					
Cotton raw	..	13	5590	7906	16232
Ivory, unmanufactured	..	496	2169	1058	1370
Soda compounds	..	..	..	175	565
Spices (mainly cloves)	..	2606	5395	3393	4316
Other articles	..	482	3514	1276	947
<b>TOTAL</b>	..	<b>3597</b>	<b>16668</b>	<b>13808</b>	<b>23430</b>

<b>Exports of Indian produce—</b>					
Cotton manufactures ..	..	1091	5920	7110	4871
<b>Grains, pulse, and flour—</b>					
Rice (not in the husk) ..	..	3272	1920	1098	17.9
Other sorts ..	..	898	1781	2776	2511
Other articles ..	..	1647	3502	3464	2821
<b>TOTAL</b>	..	6908	13123	14448	11932
<b>Exports of Foreign merchandise—</b>					
Cotton manufactures ..	..	824	1836	3003	4790
Other articles ..	..	1157	3211	4303	2756
<b>TOTAL</b>	..	1981	5047	7306	7546
<b>EGYPT.</b>					
<b>Imports therefrom—</b>					
Cigarettes ..	..	469	162	174	147
Cotton raw ..	..	445	54	200	245
Salt ..	..	917	5515	4434	3297
Sugar ..	..	7	3238	3807	101
Other articles ..	..	779	4844	6810	3426
<b>TOTAL</b>	..	2617	13863	15425	7216

TABLE NO. 12—*Contd.*  
 VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES

		(In thousands of Rupees)			
ARTICLES		Pre-war average	1919-20	1920-21	1921-22
EGYPT (contd.)					
Exports of Indian produce—					
Cotton, twist and yarn	..	1012	9287	4467	4258
Indigo	..	396	2287	476	714
Grain, pulse, and flour—					
Rice (not in the husk)	..	5381	14	2622	5520
Wheat	..	383	..	6359	..
Others	..	2756	538	303	3561
Jute, gunny bags	..	4840	7097	10498	1930
Seeds	..	1191	282	41	800
Other articles	..	2611	13516	7538	3624
TOTAL	..	18570	33021	32495	20407
Exports of Foreign merchandise—					
Miscellaneous articles	..	484	5025	5455	1839
TANGANYIKA TERRITORY.					
Imports therefrom—					
Miscellaneous articles	..	41	373	780	1839
Exports of Indian produce—					
Cotton manufactures, including twist and yarn	..	1246	589	1905	1695
Grain, pulse, and flour	..	1996	49	201	160
Other articles	..	510	171	275	236
TOTAL	..	3752	1259	2381	2091

—1922]

TABLE NO. 12

**Exports of Foreign merchandise—**

Cotton manufactures, including twist and yarn ..	627	142	263	645
Other articles ..	395	302	341	313
<b>TOTAL</b> ..	1022	444	604	958

**ITALIAN EAST AFRICA (ERITREA AND  
SOMALI-LAND).**

**Imports therefrom—**

Salt ..	388	2462	1865	1250
Other articles ..	302	135	138	106
<b>TOTAL</b> ..	690	2597	2003	1356

**Exports of Indian produce—**

Grain, pulse, and flour ..	793	366	424	35
Other articles ..	464	561	1000	573
<b>TOTAL</b> ..	1257	927	1424	608

**Exports of Foreign merchandise—**

Miscellaneous articles ..	179	1245	429	727
				667



## REVIEW OF TRADE

[1921—

TABLE NO. 12.—*contd.*  
 VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES

(In thousands of Rupees)  
 Pre-war average      1919-20      1920-21      1921-22

## ARTICLES

## MAURITIUS.

## Imports therefrom—

Sugar

Other articles

TOTAL

## Exports of Indian produce—

Grain, pulse, and flour—

Rice (not in the husk)

Wheat flour

Other sorts

Jute manufactures

Oils, vegetable

Other articles

TOTAL

## Exports of Foreign merchandise—

Miscellaneous articles

..	26324	12793	8694	22231
..	98	23	28	61
..	26422	12816	8722	22292
..	7420	6215	6242	12000
..	873	60	1594	955
..	922	657	1444	1598
..	813	1851	2024	1020
..	603	1338	746	600
..	1898	2598	5663	3668
..	12529	12719	17713	19841
..	477	506	1150	576

**NATAL.**

**Imports therefrom—**

Coal (including coke and patent fuel) ..

Other articles ..

1167 551 226 185 6  
57 1366 1404 1894

**TOTAL**

1224 1917 1630 14404

**Exports of Indian and foreign produce—**

Rice (not in husk) ..

Jute, gunny-bags ..

Oils, vegetable ..

Provisions ..

Other articles ..

2565 1067 1006 1634  
2151 4797 4729 5760  
320 629 467 298  
294 111 76 97  
1847 3434 5506 9687

**TOTAL**

7177 10038 11784 17476

**PORTUGUESE EAST AFRICA.**

**Imports therefrom—**

Coal ..

Other articles ..

486 174 551 10108  
111 1405 1389 976

**TOTAL**

597 1579 1940 11084

TABLE NO. 12.—*Contd.*

## VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES

(in thousands of Rupees)

ARTICLES	Pie-war average	1919-20	1920-21	1921-22
<b>Exports of Indian produce—</b>				
Cotton manufactures, including twist and yarn ..	908	1733	2044	3027
Grain, pulse, and flour ..	1485	406	535	427
Jute, gunny bags ..	1431	568	2034	1837
Oils ..	36	74	23	12
Other articles ..	917	448	796	740
<b>TOTAL</b> ..	<b>4777</b>	<b>3229</b>	<b>5432</b>	<b>6043</b>
<b>Exports of Foreign merchandise—</b>				
Cotton manufactures, including twist and yarn ..	862	213	570	901
Other articles ..	357	361	462	758
<b>TOTAL</b> ..	<b>1219</b>	<b>574</b>	<b>1032</b>	<b>1659</b>
<b>REUNION.</b>				
<b>Imports therefrom—</b>				
Miscellaneous articles ..	5	4	..	..

**Exports of Indian and Foreign produce—**  
Rice (not in the husk) .. ..  
Other articles .. ..

—1922

771	..	771	..	..	..
59	..	59	120	560	29
830	..	830	120	560	29

**TOTAL**

**CANADA.**

**Imports therefrom—**

Motor cars	..	..	64	9047	2097
Paper and pasteboard	..	..	251	640	717
Pulp of wood	..	..	..	80	719
Railway plant	..	79	..	2075	214
Other articles	..	30	164	1453	1348
<b>TOTAL</b>	..	109	479	13295	5095

**TABLE NO. 12**

**Exports of Indian and Foreign produce—**

Jute, gunny cloth	..	4029	10258	8509	7389
Tea	..	5491	4251	2761	5511
Other articles	..	1409	2426	2154	1807

**TOTAL**

10929	16935	13424	14707	671
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TABLE NO. 12—*Contd.*  
 VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES  
 (In thousands of Rupees)

ARTICLES		Pre-war average.	1919-20	1920-21	1921-22
UNITED STATES.					
Imports therefrom—					
Aluminium ..	...	...	426	263	522
Apparel ..	...	...	33	390	280
Arms ..	...	...	80	902	671
Boots and shoes ..	...	...	64	2125	361
Belting for machinery ..	...	...	111	624	928
Building materials ..	...	...	88	655	586
Carriages ..	...	...	72	703	1988
Chemicals ..	...	...	22	1063	1063
Clocks and watches ..	...	...	352	603	696
Copper ..	...	...	...	861	513
Cotton raw ..	...	...	2772	...	674
Drugs and medicines ..	...	...	2044	4711	7880
Dyeing substances...	...	...	418	2290	1113
Furniture ..	...	...	...	5522	2668
Glassware ..	...	...	144	386	226
Instruments ..	...	...	117	602	291
Iron and steel ..	...	...	586	8091	10241
Machinery ..	...	...	4856	54319	44261
Motor cars, etc. ..	...	...	2456	27984	45140
Oils, mineral ..	...	...	649	30905	6693
Paper and pasteboard ..	...	...	21966	52374	48684
Provisions ..	...	...	121	5926	1380
Railway plants ..	...	...	380	7125	3483
	...	...	54	4210	1280

Rubber	...	...	...	16	3928	4797	2628
Ships	...	...	...	24	128	122	418
Spirit	...	...	...	634	1168	1286	931
Stationery	...	...	...	305	1597	2772	689
Sugar	...	...	...	16	484	527	1405
Telegraph materials	...	...	...	...	1	18	816
Tobacco	...	...	...	590	4802	10886	2446
Toilet requisites	...	...	...	222	1258	1842	826
Wood and Timber	...	...	...	656	1480	3289	965
Other articles	...	...	...	4007	26253	40561	28954
TOTAL				44908	252674	352979	216085

Exports of Indian produce—  
Hides and skins—

Raw	...	...	...	34876	169696	26088	32476
Dressed or tanned	...	...	...	2989	11279	1549	1267
Indigo	...	...	...	225	50	16	...
Cotton, raw	...	...	...	819	3949	1973	1540
Color manufactures	...	...	...	529	924	1428	887
Grain, pulses and flour	...	...	...	199	8	148	466
Manures	...	...	...	485	318	1675	1087
Paraffin wax	...	...	...	348	701	516	398
Jute—	...	...	...	...	...	...	...
Raw	...	...	...	23298	26759	38068	18635
Gunny bags	...	...	...	9173	14830	21441	10626
" cloth	...	...	...	69216	191674	186983	110249
Lao	...	...	...	9377	47852	53058	40437
Manganese ore	...	...	...	1876	409	4834	776
Mica	...	...	...	699	1098	4109	2366
Myrobalans	...	...	...	978	2585	1264	1082
Oil, vegetable	...	...	...	216	984	197	359
Saltpetre	...	...	...	761	472	1193	142
Seeds—	...	...	...	...	...	...	...
Castor	...	...	...	1762	239	825	4595
Lined	...	...	...	4929	...	...	54

TABLE NO. 12—Contd.

VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES  
(In thousands of Rupees)

UNITED STATES (Contd.)		Pre-war average.	1919-20	1920-21	1921-22
Spices	...	831	768	961	2533
Tea	...	1170	3446	1281	3404
Wool, raw	...	452	...	...	512
Other Articles	...	2483	9231	10846	5269
TOTAL		16886	48812	34746	24905
Exports of Foreign merchandise—					
Miscellaneous articles	...	667	1611	31081	6989
WEST INDIES.					
Exports of Indian and Foreign produce—					
Jute gunny bags	...	4432	19770	20260	8777
Rice (not in the husk)	...	1856	1610	2900	4692
Other articles	...	371	242	430	366
TOTAL		6659	21622	23590	13824
ARGENTINE REPUBLIC.					
Exports of Indian produce—					
Rice (not in the husk)	...	1152	...	...	...
Jute gunny cloth	...	20857	60118	49162	22219
Other articles	...	704	3684	3708	2150
TOTAL		23713	63802	53870	24369

**BRAZIL.**

**Exports of Indian produce—**

Miscellaneous articles	...	...	...	894	7068	5297	5326
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**BRITISH GUIANA.**

**Exports of Indian and Foreign produce—**

Miscellaneous articles	...	...	...	572	210	450	811
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**CHILE.**

**Exports of Indian produce**

Jute, gunny bags	...	...	...	8034	6210	19265	1529
Rice (not in the husk)	...	...	...	535	...	111	116
Other articles	...	...	...	136	2461	1250	366

**TOTAL**

...	8705	8671	21326	2005
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**ADEN.**

**Imports therefrom—**

Cotton manufactures	..	..	..	32	1082	101	1089
Salt	..	..	..	1294	6041	6753	4676
Other articles	..	..	..	2819	3075	2405	2403

**TOTAL**

..	4145	10198	9249	8168
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TABLE NO. 14.—*contd.*  
**VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES**

(In thousands of Rupees)

<b>ADEN (Contd.)</b>		Pre-war average	1919-20	1920-21	1921-22
<b>Exports of Indian produce—</b>					
Cotton, twist and yarn	..	988	2046	3708	2916
Cotton manufactures	..	1838	6562	8441	4055
Grain, pulse, and flour—					
Jawar and bajra	..	1077	1141	502	97
Rice (not in the husk)	..	2486	3584	1792	2001
Wheat flour	..	1225	2147	1887	1648
Spices	..	479	917	916	818
Tobacco	..	939	306	2356	2169
Other articles	..	1601	3186	3302	2056
<b>TOTAL</b>	..	10633	19889	22904	15760
<b>Exports of Foreign merchandise—</b>					
Cotton manufactures	..	1307	9339	9124	8215
Other articles	..	573	2992	1934	2983
<b>TOTAL</b>	..	1880	12338	11058	11198
<b>MASKEET TERRITORY AND TRUCIAL OMAN.</b>					
<b>Imports therefrom—</b>					
Fruits and vegetables	..	1884	2854	3163	2838

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TABLE NO. 12

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Precious stones, etc.	..	1872	1207	1276	2128
Other articles	..	919	952	664	743
<b>TOTAL</b>	..	4675	5013	5103	5709
<b>Exports of Indian produce—</b>					
Grain, pulse, and flour—					
Jawar and bajra	..	220	99	54	162
Rice (not in the husk)	..	3001	2471	3758	5655
Other articles ..	..	1676	4321	3797	3739
<b>TOTAL</b>	..	4897	6891	7609	9556
<b>Exports of Foreign merchandise—</b>					
Cotton manufactures	..	2123	2825	2648	2547
Other articles	..	1093	2193	2294	1851
<b>TOTAL</b>	..	3216	5018	4942	4398
<b>ARABIA, OTHER STATES.</b>					
<b>Imports therefrom—</b>					
Miscellaneous articles	..	351	410	424	590

TABLE NO. 12.---Contd.

## VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES.

(In thousands of Rupee)

ARABIA, Etc. (Contd.)	Pre-war average	1919-20	1920-21	1921-22
<b>Exports of Indian produce—</b>				
Grain, pulse, and flour ..	2174	1996	5216	9567
Other articles ..	1469	4588	3290	6282
<b>TOTAL</b>	<b>3643</b>	<b>6584</b>	<b>8506</b>	<b>15849</b>
<b>Exports of Foreign merchandise—</b>				
Miscellaneous articles ..	1384	3802	2472	5790
<b>BAHREIN ISLANDS,</b>				
<b>Imports therefrom—</b>				
Precious stones, etc. ..	5047	3203	2206	3810
Other articles ..	252	94	153	173
<b>TOTAL</b>	<b>5299</b>	<b>3297</b>	<b>2359</b>	<b>3983</b>
<b>Exports of Indian produce—</b>				
Rice (not in the husk) ..	2542	3155	6794	6355
Other articles ..	1682	5143	4896	4188
<b>TOTAL</b>	<b>4224</b>	<b>8298</b>	<b>11690</b>	<b>10543</b>

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TABLE NO. 12

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**Exports of Foreign merchandise—**

Cotton manufactures ..	1818	3467	2806	1927
Other articles ..	907	2067	1753	2111
<b>TOTAL</b>	<b>2725</b>	<b>5534</b>	<b>4559</b>	<b>4038</b>

**BORNEO.**

**Imports therefrom—**

Oils, mineral ..	5376	19037	14897	8165
Other articles ..	2	..	2	13
<b>TOTAL</b>	<b>5378</b>	<b>19037</b>	<b>14899</b>	<b>8178</b>

**CEYLON.**

**Imports therefrom—**

Coffee ..	1	..	8	601
Grains ..	12	140	82	321
Hides and skins, raw ..	343	803	609	528
Jute, gunny-bags ..	702	633	789	1047
Machinery ..	136	586	640	484
Metals ..	141	875	431	366
Oils ..	45	187	586	240
Rubber ..	10	280	165	246
Seeds ..	91	10657	3423	475
Spices ..	2991	2991	3301	3486
Tea ..	710	3014	2080	886
Other articles ..	2011	4956	6990	5118
<b>TOTAL</b>	<b>7253</b>	<b>25122</b>	<b>19104</b>	<b>13798</b>

TABLE NO. 12.—*Contd.*  
 VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES

CEYLON (Contd.)		(In thousands of Rupees)			
		Pre-war average	1919-20	1920-21	1921-22
<b>Exports of Indian produce—</b>					
Animals, living ..	..	1840	2058	1968	2292
Coal, coke, and patent fuel ..	..	4359	5110	8822	1401
Coffee ..	..	576	776	320	49
Cotton manufactures ..	..	3603	8505	7920	10320
Fish (excluding canned fish) ..	..	2439	3408	3698	4301
Fodder, bran, etc. ..	..	178	435	414	387
Fruits and vegetables ..	..	1355	2698	2216	2458
Grain, pulse, and flour—					
Rice ..	..	42672	35182	46443	58403
Other sorts ..	..	4880	14391	11500	9511
Jute manufactures ..	..	541	1106	822	799
Manures ..	..	1087	5831	2530	2074
Oilcakes ..	..	3854	6084	4219	3836
Provisions and oilman's stores ..	..	545	956	983	922
Seeds ..	..	1221	1359	1173	1476
Spices ..	..	1531	3167	2398	2782
Tea ..	..	2690	1118	2245	2580
Wood and timber ..	..	232	150	496	298
Other articles ..	..	6652	15595	15687	11775
<b>TOTAL</b>		80235	107929	113854	115664

# Exports of Foreign merchandise—

Cotton manufactures	..	826	892	691	2677
Other articles	..	1382	3683	4248	4772

TOTAL

..	2208	4575	4939	7449
----	------	------	------	------

## HONGKONG

### Imports therefrom—

Apparel	..	121	492	439	256
Building materials	..	83	424	292	884
Cotton manufactures	..	194	1235	1166	943
Cordage	..	319	601	459	418
Drugs and medicines	..	648	1587	1056	958
Fire works	..	500	345	782	816
Grain, pulse, and flour	..	458	632	73	309
Silk, raw	..	2369	2639	2573	1886
.. manufactures including yarn, etc.	..	2161	8953	8895	4802
Sugar, refined	..	1034	7020	5093	2431
Other articles	..	1944	3544	3120	2852

TOTAL

..	9831	27472	23948	16555
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### Exports of Indian produce—

Chemicals	..	1114	759	1052	1370
Cotton—	..	3285	3111	2838	1094
Raw	..	..	..	..	6

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TABLE NO. 12

TABLE NO. 12.—*Contd.*  
 VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES  
 (In thousands of Rupees)

HONGKONG (Contd.)	Pre-war average	1919-20	1920-21	1921-22
Grain, pulse, and flour .. ..	1270	2085	2993	4722
Jadestone .. ..	565	856	1637	1756
Jute manufactures including twist and yarn .. ..	742	4793	6828	5004
Opium .. ..	41552	1302	2141	1496
Other articles .. ..	4109	5859	8852	7780
<b>TOTAL</b> .. ..	<b>91286</b>	<b>87148</b>	<b>71277</b>	<b>63047</b>
<b>Exports of Foreign merchandise—</b>				
<b>Fish—</b>				
Fishmaws and sharkfins .. ..	467	1047	1019	1256
<b>Fruits and vegetables—</b>				
Dried, salted, or preserved .. ..	213	444	213	87
Other articles .. ..	662	2372	1460	2127
<b>TOTAL</b> .. ..	<b>1342</b>	<b>3863</b>	<b>2692</b>	<b>3470</b>
<b>CHINA (EXCLUSIVE OF HONGKONG AND MACAO)</b>				
<b>Imports therefrom—</b>				
Silk, raw .. ..	8344	14801	11964	10936
.. manufactures, including yarn .. ..	3567	13700	8472	6493

**TABLE NO. 12**

Exports of Indian produce—	
Cotton—	
Raw	..
Twist and yarn	..
Piece goods	..
Grain, pulse, and flour	..
Jute manufactures, including twist and yarn	..
Tea	..
Other articles	..
<b>Total</b>	

**INDO-CHINA.**

Imports therefrom—	..	101	452	29	76	83
Miscellaneous articles	..	..	..	..	..	..



TABLE NO. 12—*Contd.*  
 VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES  
 (In thousands of Rupees)

INDO-CHINA (Contd.)		Pre-war average	1919-20	1920-21	1921-22
<b>Exports of Indian and foreign produce—</b>					
Jute manufactures, including twist and yarn	..	3257	6058	7556	8962
Opium ..	..	2907	3860	5193	7394
Other articles ..	..	511	978	1771	5877
<hr/>					
TOTAL	..	6675	10896	14520	22233
<hr/>					
<b>JAPAN.</b>					
<b>Imports therefrom—</b>					
Ale, beer and porter	..	3	3410	740	843
Apparel ..	..	917	4425	3087	1064
Bobbins ..	..	..	2106	970	1321
Brass, bronze, etc.	..	7	3570	4530	197
Brushes and brooms	..	48	357	213	10
Buttons of all sorts	..	..	1502	1471	1314
Camphor ..	..	1148	1236	1939	1446

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TABLE NO. 12

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Carriages	..	11	248	387	489
Cement	..	1	973	44	1675
Chemicals	..	93	1914	1353	292
Coal, coke, etc.	..	702	19	359	2993
Copper	..	2799	3088	745	232
Cotton raw	..	9	..	563	232
" hosiery	..	6523	12244	13930	4513
" piece goods	..	610	36860	83710	36702
" yarn	..	616	6070	48990	22565
" other manufactures	..	212	3780	2650	1012
Cutlery	..	..	881	472	158
Drugs and medicines (other than camphor)	..	172	1008	918	622
Earthenware and porcelain	..	423	4074	1845	2104
Furniture and cabinetware	..	71	285	358	173
Glass and glassware—					
Bangles	..	5	3474	4356	3259
Beads and false pearls	..	761	1645	2383	1482
Bottles and phials	..	100	1910	2435	1095
Funnels, globes, etc.	..	58	1624	1099	741
Table ware	..	141	1550	1029	1418
Others	..	335	2500	2806	613
Haberdashery and millinery	..	1088	2172	2982	682
Hardware	..	359	7450	7581	2129
Instruments	..	85	1245	1806	596
Iron or steel	..	..	393	499	108
Leather	..	38	544	423	66
Machinery and millwork	..	63	846	1211	358
Matches	..	2840	18734	12958	18489
Paints and painters materials	..	..	797	231	358
Paper and pasteboard	..	55	2712	4154	873
Provisions and oilman's stores	..	157	514	387	239
Rubber manufactures	..	..	206	226	62

TABLE NO. 12.—Contd.  
VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES  
(In thousands of Rupees)

JAPAN (Contd.)		Pre-war average	1919-20	1920-21	1921-22
Silk, raw ..	..	115	2	617	18
Silk manufactures, including yarn, etc.	..	13145	33005	29595	14145
Soap ..	..	62	154	130	30
Spices, ginger ..	..	340	70	20	13
Starch and farina ..	..	7	864	266	250
Stationery (excluding paper)	..	217	1339	1424	316
Sugar 16 D. S. and above ..	..	37	864	66	412
Tea-chests ..	..	87	1083	525	110
Toilet requisites ..	..	131	994	755	322
Toys and requisites for games ..	..	316	2470	1799	883
Umbrella fittings ..	..	491	675	743	931
Wood—timber ..	..	32	1018	222	16
.. manufactures ..	..	71	1452	1989	1319
Woollen manufactures (including yarn)	..	8	828	2320	141
Other articles ..	..	926	10342	7987	4115
TOTAL		36435	191526	264301	135796

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**Exports of Indian produce—**

Cotton, raw	...	145070	412223	205910	325501
Hides and skins, tanned or dressed	...	1279	2571	2436	4398
Jute, raw	...	1084	3449	1886	2408
Jute manufactures	...	1098	12185	7188	13168
Manures	...	559	3435	1588	2905
Rice (not in the husk)	...	13869	7	1515	7020
Pulse	...	419	109	238	2266
Iron or steel	...	1624	4310	5648	6248
Oilcakes	...	1519	1848	1161	2185
Opium	...	979	4084	3964	517
Paraffin wax	...	690	3746	2582	2846
Other articles	...	861	14806	7686	12458
<b>TOTAL</b>	...	168466	462663	241597	380900

**Exports of Foreign merchandise—**

Miscellaneous articles	...	166	5968	795	5873
------------------------	-----	-----	------	-----	------

**JAVA.**

**Imports therefrom—**

Liquors	...	259	846	1116	975
Sugar	...	92833	198143	152765	294771
Other articles	...	911	2399	2302	1365
<b>TOTAL</b>	...	93503	196388	166188	237111

TABLE NO. 12—Contd.

## VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES

(In thousands of Rupees)

JAVA (Contd.)		Pre-war average.	1919-20	1920-21	1921-22
<b>Exports of Indian produce—</b>					
Jute, gunny bags	...	4529	10459	12216	10211
Opium	...	5228	5000	7500	6300
Rice (not in the husk)	...	17658	781	4926	21378
Other articles	...	1659	3320	4415	1811
<b>TOTAL</b>		<b>28974</b>	<b>19560</b>	<b>29057</b>	<b>39700</b>
<b>Exports of Foreign merchandise—</b>					
Miscellaneous articles	...	112	476	1517	1727
<b>PERSIA.</b>					
<b>Imports therefrom—</b>					
Fruits and vegetables : dried, salted, etc.	...	1868	2899	2679	2720
Mineral oils	...	409	14699	6714	10868
Precious stones, etc.	...	823	124	773	89
Wool, raw	...	981	582	241	253
Other articles	...	2268	4686	3039	2848
<b>TOTAL</b>		<b>6349</b>	<b>22990</b>	<b>13416</b>	<b>16563</b>

Exports of Indian produce—

Cotton, twist and yarn	...	...	1205	4506	4487	4295
"  manufactures	...	...	1373	14379	8112	11709
Grain, pulse and flour—	...	...	...	...	...	...
Rice (not in the husk)	...	...	1085	1122	1201	295
Others	...	...	333	1302	1559	1542
Indigo	...	...	199	286	332	626
Tea, black	...	...	167	1707	1355	801
Other Articles	...	...	1151	3212	2968	2475
	...	TOTAL	5513	26514	30014	21743

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Exports of Foreign merchandise—

Cotton, twist and yarn	...	...	582	264	499	192
"  manufactures	...	...	3780	14362	7201	5084
Metals and ores	...	...	368	1685	510	350
Sugar	...	...	565	3848	7010	3617
Other articles	...	...	1384	6206	4371	3352
	...	TOTAL	6676	26365	19591	12595

SIAM.

Imports therefrom—

Wood, teak	...	...	3141	7296	5346	4812
Other articles	...	...	339	942	725	996

Exports of Indian produce—

Jute, gunny bags	...	...	2714	3101	1990	6041
Other articles	...	...	3580	8775	7932	10178
	...	TOTAL	6294	11876	9972	16219

Exports of Foreign merchandise—

Miscellaneous articles	...	...	247	302	256	497
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Grain, pulse, and flour—						
Rice	...	...	...	...	...	22184
Others	...	...	...	...	...	8086
Hides and skins, raw	...	...	...	...	...	786
Jute manufactures (including twist and yarn)	...	...	...	...	...	4501
Opium	...	...	...	...	...	307
Provisions and oilman's stores	...	...	...	...	...	1607
Seeds	...	...	...	...	...	1129
Tobacco	...	...	...	...	...	1654
Other articles	...	...	...	...	...	16528
TOTAL		...	...	...	...	74888

**Exports of Foreign merchandise—**

Cotton manufactures	...	...	...	...	...	354
Other articles	...	...	...	...	...	2105
TOTAL		...	...	...	...	2459

**SUMATRA**

**Imports therefrom—**

Oils, mineral	...	...	...	...	...	25
Other articles	...	...	...	...	...	1
TOTAL		...	...	...	...	26

**Exports of Indian and foreign produce—**

Coal, coke, and patent fuel	...	...	...	...	...	..
Rice (not in the husk)	...	...	...	...	...	4757
Other articles	...	...	...	...	...	496
TOTAL		...	...	...	...	5253



TABLE NO. 12—*Contd.*

## VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES

MESOPOTAMIA. (a)		(In thousands of Rupees)			
		Pre-war average	1919-20	1920-21	1921-22
<b>Imports therefrom—</b>					
Apparel ..	..	..	..	..	23
Arms ..	..	..	..	..	57
Drugs and medicines ..	..	..	..	..	88
Dyeing substances ..	..	..	..	..	59
Fruits and vegetables ..	..	..	..	..	7083
Gums ..	..	..	..	..	15
Hardware ..	..	..	..	..	69
Hides and skins, raw ..	..	..	..	..	55
Metals—Brass ..	..	..	..	..	36
Motor cars, etc. ..	..	..	..	..	43
Mineral oils ..	..	..	..	..	297
Provisions ..	..	..	..	..	15
Railway plant ..	..	..	..	..	30
Seeds ..	..	..	..	..	40
Ships, parts of ..	..	..	..	..	33
Silk, raw ..	..	..	..	..	51
Wool, raw ..	..	..	..	..	36
" manufacture ..	..	..	..	..	128
Other articles ..	..	..	..	..	945
<b>TOTAL</b>		..	..	..	9103

(a) Included in Turkey in Asia prior to 1921-22

**Exports of Indian produce—**

Cotton manufactures	..	..	..	12617
Indigo	..	..	..	261
Grain, pulse and flour—				
Rice (not in the husk)	..	..	..	6055
Wheat flour	..	..	..	1871
Others	..	..	..	329
Tea	..	..	..	1176
Other articles	..	..	..	5857
<b>TOTAL</b>	..	..	..	<b>28166</b>

**Exports of Foreign merchandise—**

Cotton manufactures	..	..	..	3406
Provisions	..	..	..	940
Sugar	..	..	..	1153
Other articles	..	..	..	8659
<b>TOTAL</b>	..	..	..	<b>17158</b>

**TURKEY IN ASIA.****Imports therefrom—**

Animals, living	..	420	107	74	4
Fruits and vegetables ; dried, salted, etc.	..	3327	5559	7039	14
Grain, pulse, and flour	..	213	1237	..	..
Other articles	..	1926	1483	1513	18
<b>TOTAL</b>	..	<b>5886</b>	<b>8386</b>	<b>8626</b>	<b>36</b>

TABLE NO. 12.

VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES  
(in thousands of Rupees)

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## TURKEY IN ASIA (Contd.)

	Pre-war average	1919-20	1920-21	1921-22
<b>Exports of Indian produce—</b>				
Cotton goods ..	5950	25995	16076	4
Indigo ..	659	1816	376	..
Grain, pulse, and flour—				
Rice (not in the husk) ..	7140	5692	6557	87½
Wheat flour ..	754	2639	3353	..
Others ..	605	1080	2893	1
Tea ..	1619	3392	3097	2
Other articles ..	5033	11522	11407	994
<b>TOTAL</b>	<b>21760</b>	<b>52136</b>	<b>43759</b>	<b>1876</b>

**Exports of Foreign merchandise—**

Cotton manufactures ..	522	9328	4950	..
Provisions ..	11	273	715	..
Sugar ..	255	7141	10944	..
Other articles ..	1444	18596	10741	15
<b>TOTAL</b>	<b>2232</b>	<b>35338</b>	<b>27350</b>	<b>15</b>

REVIEW OF TRADE

[1921-]

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TABLE NO. 12

AUSTRALIA.

Imports therefrom—

Coal	..	789	66	1136	2882
Horses	..	3000	355	1825	616
Provisions and oilman's stores	..	296	2606	2250	2116
Railway plant, etc.	..	3674	64	1243	2055
Wheat	..	..	25839	..	83225
Other articles	..	2357	3511	5592	3500

TOTAL

10116	32441	12046	94394
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Exports of Indian produce—

Jute, bags and cloth	..	20507	21539	47001	27195
Oils	..	626	131	237	67
Rice (not in the husk)	..	2093	3	3039	2268
Tea	..	4081	3694	2264	3235
Other articles	..	4029	8570	10317	7365

TOTAL

31336	33937	62858	40130
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Exports of Foreign merchandise—

Miscellaneous articles	..	53	61	107	389
	..				695

TABLE NO. 12.—*Contd.*

## VALUE OF TRADE WITH PRINCIPAL COUNTRIES, DISTINGUISHING PRINCIPAL ARTICLES

(In thousands of Rupees)

NEW ZEALAND.		Pre-war average	1919-20	1920-21	1921-22
<b>Imports therefrom—</b>					
Miscellaneous articles	..	..	26	120	11 140
<b>Exports of Indian produce—</b>					
Jute manufactures	..	..	3667	4402	5990 3861
Manures	..	..	397	178	05 166
Other articles	..	..	1002	1342	2523 1212
<b>TOTAL</b>	..	..	5066	5922	8578 5239
<b>Exports of Foreign merchandise—</b>					
Miscellaneous articles	..	..	7	13	51 24
<b>HAWAII.</b>					
<b>Exports of Indian produce—</b>					
Jute, gunny bags	..	..	1851	2481	1211 1063
Other articles	..	..	34	1303	2267 271
<b>TOTAL</b>	..	..	1885	3784	3478 1334

[1921—]

[1922]

TABLE NO. 47.—BALANCE OF TRADE OF INDIA.\*

(In lakhs of Rupees)

## AVERAGE OF 5 YEARS ENDING

1888-89 1888-94 1898-94 1898-99 1908-04 1908-09 1918-14 1918-19 1919-20 1920-21 1921-22

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1. Exports of Merchandise excluding Government Stores ..
2. Imports of Merchandise excluding Government Stores ..

7902	8858	10491	10745	12452	16531	22412	22411	33006	25805	24544
4795	5852	6775	6979	7843	11185	14585	14780	20080(c)	33560	26634

Net Export

3107	3006	3716	3766	4609	5346	7827	7631	12926	-7755(d)	-2090(d)
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4. Imports of treasure and funds (private accounts) ..

3001	3074	3662	3593	4401	5524	7869	4094	3067	-2905	1090
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Net imports of—

Gold

413	308	210	225	955	1288	2887	781(a)	1097(a)	-888	-279
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Silver

625	896	1221	625	512	811	721	299(b)	-15(b)	759(b)	1495(b)
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Net imports of treasure

1038	1204	1431	850	1467	2099	3608	1080	1082	-129	1216
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TABLE NO 47

TABLE NO. 47.—BALANCE OF TRADE OF INDIA.\*

(In lakhs of Rupees)

## AVERAGE OF 5 YEARS ENDING

	1813-84	1888-89	1898-94	1898-99	1903-04	1908-09	1913-14	1918-19	1919-20	1920-21	1921-22
En faced Rupee paper (net im-ports) ..	..	..	..	53	88	54	87	38	134	56	..
En faced Rupee paper (net ex-ports) ..	99	17	49	..	..	..	..	..	..	..	153
Interest on—											
En faced Rupee paper ..	85	87	99	83	70	56	44	30	28	23	27

## REVIEW OF TRADE

[1921—]

Council drafts paid in India through—	1977	1800	2185	2607	2644	3331	3644	1491	3455	..	..
Treasury ..	..	..	..	..	..	..	..	..	..	..	..
Gold Standard ..	..	..	..	..	..	..	..	..	..	..	..
Reserve ..	..	..	..	..	..	..	..	..	..	..	..
Currency ..	..	..	..	..	..	..	..	..	..	..	..
Telegraphic Transfers issued by the Bank of Montreal ..	..	..	..	..	..	..	..	..	..	..	..
and paid in India ..	..	..	..	..	..	..	..	..	..	..	..
Funds supplied by Government to finance wheat purchases ..	..	..	..	..	..	..	..	..	226	..	..
..	..	..	..	..	..	..	..	85	..	..	..

REVERSE DRAFTS  
PAID IN LONDON

..	..	..	..	..	241	5	550	1858	2855	..
Net	..	1977	1800	2181	2607	2776	3315	4130	2946	1823 —2855

Balance of Trade in favour of India	106	..	54	173	208	..	..	3537	9859	..
Balance of Trade against India	..	68	..	..	..	178	42	..	4850	3180

All possible items in the Balance of Trade cannot be included in the table.

- (a) Excludes transactions, such as gold imported or exported on behalf of the Bank of England, which do not enter into India's Balance of Trade.
- (b) Excludes PIASERS coined at the Bombay Mint on behalf of the Egyptian Government valued at Re. 1,16 lakhs in 1916-17, Re. 77 lakhs in 1917-18 and Re. 6 lakhs in 1918-19. The value of old Straits dollars received at the Bombay Mint for recoinage (Rs. 1,13 lakhs) and that of the export of the recoined dollars (Rs. 12 lakhs) are also excluded in 1918-19. The value of 'silver other coin' exported to Ceylon on account of the Ceylon Government (Rs. 5 lakhs) and that to the Straits Settlements on account of the Straits Government (Rs. 24 lakhs) have been excluded in 1919-20. In 1920-21 the following items have been excluded:—(1) the value of 'silver other coin' imported from Ceylon on account of the Ceylon Government (Rs. 3 lakhs), (2) the value of 'silver other coin' exported to Ceylon on account of the Ceylon Government (Rs. 10 lakhs) and that to the Straits Settlements on account of the Straits Governments (Rs. 16 lakhs), and (3) the value of Straits dollars exported to the Straits Settlements on account of the Straits Government (Rs. 86 lakhs). The items excluded in 1921-22 are:—(1) import of 'silver other coin' from Ceylon on account of the Ceylon Government (Rs. 4 lakhs), (2) export of 'silver other coin' to Ceylon on account of the Ceylon Government (Rs. 3 lakhs), and (3) exports of Straits dollar to the Straits Settlements on account of the Straits Government (Rs. 1 lakh).
- (c) Excludes Rs. 4,59 lakhs, the value of wheat imported on Government Account and paid for by private remittances, and Rs. 2,58 lakhs, the value of wheat imported on Government Account and paid for in London.
- (d) Net imports.





Proceedings of  
Congress and Conferences  
1922-23



**Section I**  
**Industrial Commercial, Etc.**



# ANNUAL MEETING OF THE COUNCIL OF The European Association

*CALCUTTA,—18TH DECEMBER 1922*

The Annual General Meeting of the European Association was held in the Dalhousie Institute, Calcutta on Monday the 18th December. Mr. H. W. Carr, President of the Association, delivered the following speech.

## **Presidential Address**

"In presenting the accounts for the past year, there are not very many points to comment on as most of the activities of the Council have been dealt with very fully in our Quarterly Reviews. There are, however, one or two matters which I should like to bring to your attention. The year has certainly been one of progress, and the Reconstitution Scheme which was inaugurated at the beginning of the year has worked well. The various activities of the Association have been dealt with by special committees. As is to be expected, however, there are one or two flaws, one which we shall ask you to rectify in the near future is in connection with the election of the President and Vice-President. The Council are practically unanimous in feeling that these Officers should be elected by the Council and not in a General Meeting. The Council, I would remind you, is constituted of Representatives of the branches and it is not reasonable to leave the election of the President of the Central Association in the hands of the Calcutta Division, when the Council itself is elected by branches throughout India. Moreover, in any body of men like the Council where they are working together, the choice of member to preside over their meetings might rightly be left to them for they are in the best position to know who is suitable. This change will mean an alteration in the Rules and will be brought forward at a special meeting shortly. The greater activity of the Association has served naturally to emphasise the differences of opinion which are bound to exist in various sections of the community and it is not possible that the Council will always reflect exactly the opinions of all the Branches.

## **BRANCHES AND THE COUNCIL.**

"One Branch has this year protested on two occasions against the line taken by the Councils; on one occasion admittedly because they did not await the full report of the Council's action before registering their protest, and on the second occasion I am inclined to think that they have made the same mistake. Putting aside that aspect of the question, I must draw attention to the principle on which their protests are based, they object to the Council acting without consulting the Branches.

"Our rule of procedure is to consult the Branches when there is any reason to suspect that there may be strongly conflicting opinions on a subject, but when the Council which I would remind you is elected by those branches is practically unanimous, we act directly. Any other procedure would not only prohibit rapid action by the Council, but it would mean a referendum on many subjects where it would be pretty well impossible to get absolute agreement for the views towards current Indian questions which vary very considerably in certain parts of India. It is not likely that opinions in Sind and Behar, Madras and the Punjab will always coincide, and I urge therefore that the Branches recognise the need of compromise on views where principle is not involved in the interests of the unity, without which our influence will be found wanting in Indian public affairs. If the Council makes many mistakes in effecting this compromise, it is always up to the Branches to change their representatives and elect a council more to their general liking. The change in the General Secretaryship, where Major Tyas gave way to Col. Crawford, was an event of no little moment for, the activities of the Association must of a necessity be largely influenced by the General Secretary.

#### OPERATIONS OF POLICE CESS.

"A matter of considerable importance to our up-country members is the assessment of inhabitants of certain districts for extra expenditure on police, which services are only necessitated by the unconstitutional actions of certain sections of the community. In cases where extra police have to be provided, the difficulty of excluding any one section of the community from bearing their share of the cost is obvious, and in the case of Northern Behar planters, with whom we are now in correspondence on this subject, we are trying to find some procedure by which those against whom disturbances are in a very large degree levelled, shall be exempted from the Police Cess. Those of you who were here last year will remember that one speaker ridiculed the class of imprisonment inflicted on Political law-breakers, and I hope that if the non-co-operation nuisance at any time is reviewed, we shall see Government exercise their power to inflict heavy fines which may be devoted to pay the cost of extra police. Some criticism has been levelled at the Association for refusal to entertain certain applications from members who may have found themselves in the law courts, or who have been dismissed from employment. It is true that certain applications of this nature have been turned down during the past twelve months, and in so doing the Council have been led by the principle that provided a man is treated in accordance with the law and there is no reason to suspect the presence of any particular force acting against the execution of Justice, they should leave such cases alone. Where, however, irregularities in the procedure may be suspected, the Council consider they are acting within the purposes of the Association in assisting such cases.

## REDUCTION IN PASSAGES.

"A matter of considerable interest lately handled, is the petition for a reduction in Home passages, and we are sanguine in thinking that the concentration of thought on this matter had not been without its effect in calling the attention of the Commonwealth Line, Messageries Maritime, and lastly the British Lines to the necessity for meeting public opinion in this respect.

"The question of first importance which the Council has had to handle during the past year, however, has been the Racial Distinction amendment of the Criminal Procedure Code. As you know within a few months of the establishment of the Legislative Assembly under the Montague-Chelmsford reforms, a resolution was brought forward in the Assembly to remove all differences in the treatment of His Majesty's subjects in the criminal courts by the elimination of all these safeguards which have been proved necessary to enable the courts to dispense justice to European subjects. The upshot of this resolution was the appointment of the Racial Distinctions Committee and with that Committee your Council has been in close touch not only personally but through one of your members Mr. W. L. Carey, who was serving on the Committee. The question is one with which it is very easy to light a bonfire, and in order to avoid the beating of racial feelings, the Council has deliberately refrained from any public appeal to Europeans to stand up for the rights they at present enjoy. Racial hatred has been preached pretty widely for the last year or two, generally speaking it has only found adherents on one side, but if we had published abroad a very reasonable construction which might have been placed on the so-called Samarth resolution proposing the elimination of European rights in the C. P. C. there is no doubt that feeling all over the country would have risen high. We wished to avoid this, but on the other hand, we could not risk any amendment of the C. P. C. being carried through without it receiving the consideration of the European Community. We therefore made a point of advising Europeans, whether members or not of the exact position and fortified by the assistance of the best legal opinion in and out of Calcutta, by the help of representatives of the Bengal Chamber of Commerce we started to negotiate with the Racial Distinctions Committee in the hope that we should find that Committee reasonable and ready to agree to such safeguards as our legal advisors should deem necessary. So far we have been justified in our hopes, for our various negotiations have been conducted in a friendly spirit, and although some of the Indian members are as keen to remove alleged anomalies from the C. P. C. as we are keen to retain necessary safeguards, the report which has been presented to the Government of India, and through them to the India Office contains, I believe, the basis of a satisfactory settlement to all parties. The report is not unanimous however, for there is one important point of disagreement with refer-



ence to the procedure in Summons cases. This I will not deal with to-day, but it forms the basis of a note of dissent written by Mr. W. L. Carey, and will have to be fought out in the Assembly. Before leaving this subject, I should like to get the European Community to appreciate the valuable services which Mr. Carey has done it in his labours on this Committee. He was I believe, present at practically every meeting, he watched the various proposals with the most zealous regard for the necessities of Europeans in this Country, both in town and in the Mofussil and he took endless trouble to assure himself of the views on the Council of this Association before agreeing to any proposals brought forward. The report is not yet available for the public although various references to it have been made in the press, but I have confidence that reasonable people of all races will find in the report always excepting our minute of dissent, a reasonable solution of a thorny problem, a solution which should put this matter on a sound basis for several years to come,

#### APPLICATION OF REFORMS.

"When the late Secretary of State toured this country, he came to conclusions with which we all disagreed, but which have been carried into law. Many of the mistakes which were obvious to all but himself, have borne their crop of fruit, but many of the seedlings planted at that time have still got to be tended and brought to healthy fruit on, and I hope that in view of the fact that we have all loyally accepted the present conditions, the India office will see the wisdom of allowing the man on the spot to conduct the application of the Reforms and refrain from interfering in cases where the Government of India, English non-official opinion and Indians coincide in matters of internal interest. Most of us know what the normal interest of England in India means—an empty House of Commons when Indian questions are discussed, and I sincerely hope that the present more active interest will be manifested not in the direct interference of the Secretary of State in Indian affairs as in the past few years and by continuous interference with the Indian Government, but by a readiness to stand by and lend a helping hand when invited so to do.

"In some quarters it has been suggested that a commission should be appointed to examine whether the Reforms have been developed too quickly, that is to see whether the Reforms are working satisfactorily and if not to check their progress. It seems to me that such a proposal is entirely out of place. Only a few months ago some members of the Assembly expressed such satisfaction at the manner in which it had conducted itself that it wanted another instalment towards home rule. The reply to that I think very rightly pointed out, that time have not elapsed to permit of any conclusion being drawn as to the success of the Reforms and that it was desirable that the testing period laid down

by a REGIME which could scarcely be accused of conservative tendencies was the least in which to get evidence for a sound decision.

"In face of that view can we fairly ask for a commission to condemn the conduct of the new government which is really what is indicated by the call for a commission ?

"I think commissions are to be avoided wherever possible. We have had too many of late years and I think this Association should stand squarely for the full period of probation and in that period do everything it can to help to build sound foundations.

#### SUPPORT OF EUROPEAN COMMUNITY.

"Before moving the adoption of the report, I must refer to the necessity under which we find ourselves for all Europeans in the country to take an interest in its political development. This matter has been emphasised a good deal of late, but the apathy displayed still remains dense, particularly in towns where but few of us are acquainted with the difficulties of those living in the mofussil. It would be an excellent thing if mofussil members would make a point of attending some of the town branch meetings and addressing the members thus promoting that understanding which would do much to maintain unity in the Association and to strengthen European influence throughout the country.

"Let us face the position quite clearly and not miss opportunities in the present by vain regrets for the past. The old order is not now passing ; it has past, and we are living under conditions which embrace self-government. The condition may be anomalous for it calls for the interpretation of democratic principles by one of the most conservative peoples on earth, but this very condition makes it more than ever desirable that Europeans should take their part in public affairs and assist the country to steer a steady course. For this purpose the European Association offers every facility to those who cannot take an active part themselves but want to help, for it maintains an efficient staff and many willing workers throughout the country to watch events and to exercise its influence. Membership with the Association is not purely a matter of self-interest, for it not only assists members but also the country.

"Briefly, the government of the Indian Empire is in the hands of the people. Are British men and women to help to govern themselves or are they content for the first time in their history to be governed by their fellow subjects of another race ?

"Surely there can be but one answer and when that answer is given I hope to see this Association move forward with the whole support of the European community behind it to assist with our Indian fellow citizens in making India a peaceful and prosperous part of the British Empire."

#### Mr. Carey's Speech.

Mr. W. L. Carey, M. L. C. said :—Mr. President and gentlemen, in rising to second the adoption of the report and accounts for 1922

I cannot help casting back to the period in 1921 when some few of us found ourselves apparently left with the Association on our hands. It was a period of depression in the affairs of the Association and it was even discussed more or less seriously, whether a time had not come when it would be well to end the Association, or at least to damp it down to a condition where it should not have any great activities but be capable of watching events and being roused into being and working again as events warranted.

Apart from the difficulty of maintaining the Association a state of suspended animation and of reviving it at will to be really useful if occasion arose, and the delay in getting going which such action must necessarily entail, at a time which might require prompt action, it was decided I think rightly that this would not meet the need of the community. At the risk of going again over old ground I must repeat that we consulted the branches who supported this decision almost unanimously. We also consulted many of the friends, official and unofficial of the Association and received much differing advice. Among other things we were told that probably the various Chambers of Commerce throughout the country would be quite competent to deal with most of the subjects which came before the Association, and that therefore the need for it would be a diminishing quantity. The majority of advisers however favoured going on but on reconstructed lines which would enable us to get into closer touch with the opinion of branches, and feelings in parts of India. This coincided with the advice given by an old friend of the European Association, a leading member of the Govt. of India who advised when the suggestion of closing down was discussed that we should "mend it and not end it." Some of us therefore, with your present President, to whom the Association owes the greatest debt of gratitude, taking this lead, drew up a new statement of aims and objects as published in the manifesto to branches and drafted the new constitution for the Council.

#### BUTT OF CRITICISM.

Perhaps of late years the Association has been too often the butt of a certain amount of criticism and splenetic humour, doubtless caused by the residence in India of many of its critics through the hot weather and rains for a number of years, but speaking seriously I believe that Europeans in this country have now ready to their hands an instrument in the reconstructed Association which it entirely depends upon them to make the fullest use of. All parts of the country through their branches have now the opportunity of appointing their own representatives on the central Council, and if they are not satisfied with the men who represent them, or with the action and expression of opinion on behalf of their representatives, the fault is theirs. I am sure the President and any other members of the Council will bear me out in saying that we are all of us only too desirous of seeing a strong represen-

tative Council working in the closest touch with all branches, and with every section of the community. We are told that countries generally get sooner or later the Government they deserve, and this applies in its own way to my remarks regarding the managing body of the Association. If Europeans throughout the country will realise what the Association might mean to them and see that they get the representatives that they want on the Council, and keep them fully advised of their opinions and desires they will soon find a use for the Association, and will strengthen its hands in support of their interests. Incidentally we are glad to welcome a leading member of the Anglo-Indian community as a member of the Council this year as a liason to keep us in touch with their opinion.

It has been stated as a criticism that practically only members connected with Clive Street and its ramifications are ever elected to the Council. This criticism seems to be on a par with the traditional translation, of which I was recently reminded in another connection, of a University motto given to an enquiring undergraduate by the College Porter who told him that the meaning of *NISI DOMINUS FRUSTRA* meant "no use coming here unless you are the son of a Lord" and to my mind the criticisms contains just as little or perhaps less truth than the translation.

If however this should be so the remedy lies surely in the hands of those selecting their representatives. That such representatives should be men of weight and experience goes without saying. This is necessary to protect our interests, and this, possibly the sittings being in Calcutta, accounts for Clive Street's occasional preponderance. I would here remind members also of the possibility of their expressing their opinions in the *QUARTERLY REVIEW* correspondence columns. These are open to all and read by all members, I hope. As to whether the work we do, and shall have to do could be equally well formed by the Chambers of Commerce I think many of our subjects would embarrass those bodies which are supposed to be non-political, even though this may gradually become less the case, and consequently I see no reason to think otherwise than that the Association has even now a great field for its energies, which with a strong Association worked on liberal and right lines will undoubtedly increase.

#### COMMON MEETING GROUND,

I see even now in the Association a common meeting ground and platform for all Europeans of every grade and thought on all subjects throughout the country, which it seems to me, no other society, or group of Associations, quite offers. There is to my mind in this Association a great opportunity for the formation of thought and ideas in consonance with the changing conditions under which we are to live, and for finding the means for fulfilling the conditions, from the European side, as set forth in the speech to the Association Deputation by Lord Lytton, of working in with the Reforms and keeping our place in amity and joint working with

our Indian fellow subjects, at the same time preserving the rights, and the place in the country of its European residents.

The usefulness of the Association in this respect has been already, as one instance, proved in the case of the Racial Distinction discussion, to my share in which your President has made such kind references.

Incidentally I would say that without this close co-operation and splendid work and without the strong support of the Council, the results might well have been different.

I have much pleasure in seconding the adoption of the report and accounts, only making the comment with regard to the latter that I hope increased and increasing Membership throughout the coming year will give the accounts a fresh complexion.

## Resolutions.

The following Resolutions were passed :—

Captain C. C. Armitage proposed : "(a) that this association appoint a sub-committee to consider the existing state of affairs as to the administration of justice in the Presidency Courts ; (b) that the said sub-committee shall consist of five members, the majority of whom shall be nominated at this meeting ; (c) that the said sub-committee shall report in due course the action they deem necessary to bring about an improvement of the present system and what action they consider should be taken by the Association."

The resolution was seconded.

Mrs. D'A. Wills said that as a non-official visitor for women in jail she managed to get out of jail the wife of a cobbler who had been there for 8 months without trial. In another case she got out of jail an Anglo-Indian woman who had been there for a month and a day. That woman was taken up before a Magistrate and discharged with a warning.

The President trusted that the mover would be satisfied if the Council accepted the resolution and appointed a sub-committee but deferred taking action till the larger question of the Racial Distinctions Committee was settled.

Captain Armitage agreed.

Mr. J. A. Jones moved as an amendment to the second part of the resolution : 'That the Council be instructed to appoint a sub-committee and that the Council be given power to co-opt any members of the Association.'

Mr. J. Campbell Forrester seconded the amendment which was accepted by Captain Armitage.

The amended resolution was carried unanimously.

Mr. O. B. Chartres moved. "That a prominent representative of the Association should go up periodically from Calcutta to the district to address Europeans on the proceedings and policy of the Association with a view to enlisting and maintaining a much greater interest in the Association."

Mr. L. M. Medley in seconding the resolution remarked that the European Association ought to do a lot more missionary work than it did.

The President said that it was the hope of the Council to get Colonel Crawford thoroughly on the road in the new year to stir up the branches.

The resolution was carried unanimously.

# THE FOURTH ANNUAL MEETING OF THE Associated Chamber of Commerce

*CALCUTTA—8TH JANUARY 1923*

The fourth annual conference of the Associated Chambers of Commerce of India and Ceylon was opened by His Excellency the Viceroy on 8th Jan. 1923 at Calcutta. Delegates from the different European Chambers of Commerce in India were present, and there was a lively attendance as the Viceroy was expected to make important pronouncements on the trade interests of Europeans in India.

Sir Campbell Rhodes of the Bengal Chamber who presided, in requesting the Viceroy to open the proceedings, said :—

“On behalf of the members of the Bengal Chamber of Commerce it is my pleasant duty to welcome both His Excellency the Viceroy and His Excellency the Governor of Bengal on their first visit to Clive Street, and it is again the privilege of the Bengal Chamber to greet the delegates from all parts of India who have assembled here to-day. In asking Your Excellency to open the fourth annual meeting of the Associated Chambers of Commerce, we are following the precedent established in 1920, when Lord Chelmsford inaugurated our Association. The most exalted of the many visitors who at this season of the year love to roam our grass grown streets amidst the ruins of this desolate and ancient capital of India, you have done us the honour of delaying your departure in order to be present here to-day and thus to mark your appreciation of the fact that our Association is as wide as the Empire under your Viceroyalty. In actual fact we extend beyond your domain as far as Ceylon, for commerce knows no bounds of province, race or creed. When the Reform Scheme came into being this fact was recognised and Commerce remained an Imperial subject. The problems we are met to consider are of Imperial importance and our thanks are due to the Government of India for having recognised this fact and for allowing one of their senior officers to attend and participate in our discussions,

“The questions we have to consider during the next two days are not matters that concern merely the important commercial and industrial interests represented round this table ; some of them vitally affect the well-being and prosperity of all in this land of our birth of adoption. I need only instance three or four of these questions.

“From the safe seclusion of the presidential chair I shall watch my late distinguished colleagues on the Fiscal Commission, Sir

Montagu Webb and Sir Edgar Holberton, torn to pieces by the irate delegates; on the one hand by the orthodox Free Trader, who apparently does not desire that our present high duties should be regulated so as to be a help rather than a hindrance to industrial India; on the other, by Protectionists who would plunge India headlong into uncontrolled protection and who resent our pointing to the experiences of other countries as danger posts along a straight but narrow economic path. The three representatives on the Fiscal Commission here to-day recommended neither the shibboleth of free trade nor of protection; they advocated certain specific measures and principles as best suited to present Indian conditions, detailing them in a report which unfortunately few of their critics have taken the trouble to read.

"Another matter of almost overwhelming importance is the future management of our railways, a matter on which there are many diverse views but only one aim, a system of management that will lead to the greatest efficiency and purity of the administration, working both for the comfort of the passengers and the welfare of commerce and industry. We welcome the appointment of a chief commissioner of railways and congratulate the Government on their choice, for Mr. Hindley is beloved and admired by all who know him as intimately as we in Calcutta do. If I were, however, to venture on the oracular, I should say to Government, 'Build neither a policy, nor a barricade of office files round the personality of any one man.'

"The currency question is always with us and I think that the policy advocated by the Association in its last two meetings has been justified by the result. After the failure of many futile attempts to settle the rupee, the rupee is showing a tendency to settle itself.

"There is only one other subject on which I should like to touch as lightly as possible. Year by year we call attention to the fact that we alone of all the leading interests in this country are not found worthy, either individually or collectively of direct representation in the Legislative Assembly where all commercial legislation originates and whence the budget emerges a torn and tattered remnant. Government freely ask and welcome our advice and criticism, for we always endeavour that our advice shall be sound and our criticism constructive. But we are not invited to join the other commercial bodies in the Assembly. Our recommendations, criticisms or suggestions must be handed in through the window. It is true that some of us, disguised as innocuous representatives of European constituencies, have invaded that sacred place, but we shall continue to ask with the pertinacity of an Oliver Twist until we are accorded the privilege of helping to frame the laws which so deeply affect not only us but the millions of our fellow-subjects who look to us for employment and help.

"I have much pleasure in requesting your Excellency to declare our proceedings open."

### H. E. Lord Reading's speech

His Excellency Lord Reading, the Viceroy, then addressed the meeting and said in the course of his speech :—

"At all times, as you so well pointed out, the problems that come before your association for consideration must include some of the most momentous to the prosperity of India. I and my Government are fully conscious of the weight that should be attributed to the views of those engaged in business in relation to all matters affecting commerce and industry, and you may rest assured that we shall always give careful considerations to representations which this important association may make, composed, as it is, of representatives from all parts of India and expressing the opinions not merely of one chamber but of the Associated Chambers.

### FISCAL COMMISSION'S RECOMMENDATIONS

' You, Sir Campbell, have referred humourously and evidently with enjoyment to the fate in store for your two former colleagues on the Fiscal Commission. I shall watch with the greatest interest the report of your discussions. The recommendation now made that duties should be imposed not merely for revenue purposes, the hitherto accepted fiscal policy of India, but with the object of fostering and protecting industries—a new departure for India—deserves all the attention of the mercantile community as well as the public. The president and the members of the Commission were entrusted with a highly responsible and difficult task. A study of their report shows that they have devoted considerable thought and study to the investigation of the complex problems presented to them. Whether individually you agree with their conclusions or not, we must all be grateful to them for their devotion to the public interest. The position is complicated by the financial conditions of the country which must always in this respect be kept in mind. Heavier duties have been imposed in recent years for the purpose of approximating revenue to expenditure. Whatever may happen, whatever decision may be reached regarding the recommendations of the Commission, the Government on whom the ultimate responsibility will always rest must take into account the revenue needs of the country. In truth this is merely stating what must be self-evident to all who give thought to the subject and is embraced in the general fundamental principle that regard must be had by the responsible authorities to the general welfare of the community and must not unduly favour one section of it. It should not protect one industry to the disadvantage of the rest of the community. That I gather has been fully recognised by the Commission. We must be careful that the general desire for the industrial development of India commensurate with its large population and



natural resources does not lead to action that may eventually retard instead of advancing, the prosperity of the country. There can be no diversity of view in this respect. We are all aiming at the same goal, the development of the industrial prosperity of India, but we may not all agree upon the measures to be adopted for the purpose. Whatever may be the individual views it will not be disputed that if new sources of wealth can be created it will encourage the development of national life and national character, but this only if the development is based upon the general welfare of the community. That must always be the supreme test.

#### PROPAGANDA FOR PROTECTION.

I refrain from further discussion upon this most interesting subject which should be approached with the desire to judge its effects upon India and the prosperity of its people. It should not be decided by pre-conceived views regarding the relative advantages of free trade and protection, but by consideration of the relative advantages and disadvantages to India of a change in her fiscal policy. The eventual responsibility for the fiscal policy of this country and of the various steps that may have to be taken must rest upon the executive authorities. It is with the Government of India that the final responsibility of determining these questions in India must eventually remain. There are, of course, questions which will have to be considered in the legislature and, obviously, some matters will have to be discussed with the Home Government. Whether a tariff board is appointed or not, whether other means may be adopted of investigating and arriving at conclusions, the burden must ultimately rest upon those at the head of Government here. I mean that the Government cannot delegate its functions to boards. I do not suggest there is any real divergence between the views I have expressed and the report of the Commission. Indeed, I think that the conclusions are much the same and that when considering the application of the recommendations in their bearing upon the revenues of the country—very important at this particular moment—there should be, then, an examination and it necessarily must take place by the Government for the purpose of testing the effect of the recommendations upon production of revenue. I do not wish to enter further into this subject at this moment, except to say that I cannot but think, as at present advised, that the advantage would always be in favour of one enquiry instead of the addition of another enquiry following the first. What seems to me essential is that when these matters are considered an investigation should be made into an industry for the purpose of considering whether it would be wise in the interests of the country generally to impose a tariff in regard to that industry for the purpose of protection. I cannot but think that it would be desirable that the Government should itself take some part in that enquiry in order to consider the effect upon revenue and whether the financial condition of the country would be

seriously prejudiced, it might be by the proposed recommendations. Of course, all these are matters for further discussion, and I am certainly not expressing any final opinion. What impresses me looking merely at the recommendations of the Commission is that the imposition of tariffs for the protection of particular industries carries with it certain attendant consequences sometimes productive of good and sometimes productive of evil. I can well imagine, for example from the experience of other countries, that there might be a great propaganda for the purpose of aiding a particular industry. Again I can well imagine that if a board was appointed and that board came to its conclusions and made its recommendations of a tariff in regard to a particular industry, then the Government would have to make up its mind whether it could adopt those recommendations. I can quite well conceive that opportunity would then be taken for the purpose of developing propaganda in the interests of the industry to be protected and a desire also to force the hands of Government. What I wish to bring to your minds, as you are considering this subject among others, is that it would be desirable that there should be no such interval and that whatever the tribunal may be when the recommendation is made there should be the shortest possible interval between the recommendation of the tribunal and the decision of the Government.

#### LORD INCHCAPE'S COMMITTEE.

' These are matters which I daresay will have occurred to you and upon which you may have come to conclusions. My mind is quite open and I wish anything I have said to be taken only as a view formed at present. But in connection with the Fiscal Commission financial considerations must necessarily arise. India has during the past five years had to meet deficits. Whilst I hold necessarily strong views as to the need for the balancing of our revenue and expenditure and all possible steps are being taken in that direction, we should not unduly exaggerate the seriousness of the situation which has existed during the last few years. We must remember the effects of the war and also it is not unuseful to compare our own position with that of other countries. This is not the moment at which I should take time by pointing out the advantages enjoyed by India, but I would draw your attention to this that whereas obviously we must do our utmost to restore equilibrium in finance, equally must we not tip the scale by unduly dwelling upon the financial condition and exaggerating, as sometimes is done, the fears for the future. Of course, if a country continues for a number of years in deficit there can be no doubt of the end. It is a very critical period in international trade and it does not require words to emphasise the situation. At present in India, obviously, trade is hampered, paralysed and crippled by conditions abroad which have ensued consequent upon the war with the result that many markets are closed which formerly we were in the habit of supplying. We must try to reduce expenditure. Lord

Inchcape, whose public spirit is so well illustrated by the duties he is now performing as chairman of the Retrenchment Committee, is assisted by those specially selected to fill very responsible positions. I am not surprised that their labours will last perhaps longer than some had originally anticipated, but the Government of India ever since the last budget have been doing their utmost to economise in the general administration and I need not say that we are glad to be able to give all possible assistance to Lord Inchcape's committee and that we shall look forward to his recommendations.

'I cannot to-day dwell—neither is it needful, upon the vast importance of currency and exchange questions to India. You, Sir Campbell, have called attention to the rupee and what it has done for itself. It very often happens that if these matters are left to the operation of the ordinary conditions of commerce they arrive at their own solution and often find a more stable basis than when outside influences are brought to bear upon them.

#### QUESTION OF STATE MANAGEMENT OF RAILWAYS

'May I just say one brief word regarding railways. The question of the management of railways must come for decision within a very brief period. Much has been written about it. There has been a most careful enquiry as you are well aware and the result has been an equal division of opinion on the Commission. Conclusions must be reached after studying the arguments of both sides. In this controversy may I just make one observation? The railway management question in India should be approached from a different standpoint to that prevailing for example in England and some other countries, for in India you are not faced with the problem of determining whether or not a new principle shall be introduced, that of State ownership and State management of railways. That is already in existence in India where a large portion of the railway system is both owned and managed by the State, so that the principle is already established; although that does not make the present question easy of solution. The problem now is whether that system of State management should be extended in regard to the railways which are owned or largely owned by the Government or whether the management should remain with the companies. I shall watch with the greatest interest the reports of our discussions. There I must leave the subject to-day and not express my own opinion until late.

#### INDIAN TRADE OUTLOOK

'May I now pass to a very brief review of the general economic condition of India? At this moment it has of course an important bearing upon your deliberations and upon the future of India, it is more hopeful. Crops are good unlike last year. The balance of trade is now in India's favour. The export trade is better and offers

promise. Tea has had a remarkable revival. The outlook for the jute mills is more promising. While these are satisfactory features we must remember that in the world generally owing to economic unsettlement trade remains dull and cautious and the further is uncertain. Industries in India are not feeling any real stimulus to activity. There has been a recent fall in prices which the Indian cotton mills can get for their goods. Other features of importance are a slow but steady decline in the price of the food-grains and in the cost of living. The fall in the latter during the last year in Bombay is estimated to amount to 17 per cent. No one has a greater desire than I have to see industrial development in India and I hope that I may persuade others to share in my confidence that it is possible: I would welcome and assist every measure calculated to give it real encouragement. But it must be development of the right kind and in this I know that you will be in complete accord with me. The last ten years have shown a very marked expansion in the diversity of the kinds of industry attempted in India. The total volume of the results of this expansion may not be very great but many new types of industries have been started. This is to the good. There is also the growth of a widespread belief in the efficacy of industrial development to raise economic standards in India and to some extent to help her financial position. There is a desire to hasten this development. I welcome and commend such aspirations. At the same time you know as I know that this panacea is not so simple of attainment as may at first appear. Industries bring their own problems. Patience and continued effort and the lessons of experience can alone bring them to success. If there is to be expansion there must also be increased attention to the conditions under which labour lives and has to work. The favourable reception which the principles underlying the Workmen's Compensation Act have met, shows recognition of the need for legislation to keep pace with changing conditions. Many of you, gentlemen are associated with industries. You will bear me out when I say that if we are to have a period of industrial expansion, an especially heavy responsibility will lie during that time on the directors of companies. It will not be any easy period. All industries are subject both to periods of unusual prosperity and also normally must expect periods of unexpected depression. Directors concerned in the expansion of industry are faced with this factor of fluctuations. It is one to which they must accustom their shareholders if they are to retain their confidence, for successful industry does not depend on the size of dividends distributed over a short period but on the first establishment of a concern on a basis which is able to resist the buffets of temporary periods of depression, and in this establishment the directors and shareholders' interests are and should be the same. These may be fundamental truths and are well-known to the members here assembled, but nevertheless they are of supreme

importance in the expansion and development of industries. It is well that they should be emphasised.

#### ADMINISTRATION OF JUSTICE IN INDIA.

There is one subject to which I would very briefly draw your attention and would invite, if you find it possible, some expression of opinion from your Association. It is an elementary truth that justice long delayed is often justice denied, and I have been impressed by the long delays not only in arriving at a decision of the court but also, and sometimes more seriously, in the enforcement of its decrees. I am considering with the assistance of those best able to advise me the steps that should be taken for the purpose of expediting and facilitating the recovery of debts and the enforcement of rights in our courts of law. I trust that it will not be thought that I am reflecting in any way upon the administration of justice in India. Nothing is further from my thoughts. I am considering the system and its effect not only upon the commercial community but upon the public generally. It may not be and is, I understand, not a matter of complaint in Calcutta but I am speaking of all India and to delegates from all parts of India, and I should therefore specially value your opinions. I have been particularly impressed with the difficulties experienced in the country in enforcing the judgments obtained from the courts, difficulties which are surprising and indeed, I think, I should be justified in using stronger language. I understand the special difficulties that occur in this country by reason of complications arising from laws and customs of particular communities and I make every allowance for them, nevertheless. I cannot but think that justice demands imperatively that a remedy should be found for condition of things which according to the reports before me produces great hardship and sometimes serious injustice.

#### REPRESENTATION OF EUROPEAN COMMERCE IN LEGISLATURE.

I pass now to the desire of your Association for more extensive representation of your interests in the Indian Legislature. It is very natural that you have a claim to take your part in the important matters under discussion in the Legislative Assembly and that your views and experience would be of service to the country deserve ventilation and would carry weight. I note that you have addressed my Government and that the matter is still under their consideration. The original scheme of representation and franchise was framed as you are aware after a careful enquiry and represented a delicate adjustment of numerous claims. It took effect before I came to India and the resulting position, as I understand it, is as follows:—European commerce as such has a definite representation in the Council of State where the Bengal, Bombay and Madras Chambers of Commerce each have one seat; purely Indian commerce, on the other hand, is not specially represented in that

Chamber but has representation in the Legislative Assembly. The scheme of representation in the latter Chamber was framed mainly on territorial lines and is the result of an attempt to balance the claims of one province against another. So while the European community in various provinces has representation, for example, the Bengal European community has three seats, the Bombay European community two seats, and the United Provinces, Madras and Burma European one seat each, respectively, there are no general seats representing specific interests outside the provinces. To this extent the acceptance of your proposal would appear to create an innovation and be a deviation from the principle underlying the original scheme. It would also mean, as you are at present constituted, though I believe there is nothing in your articles of Association to preclude the election of purely Indian Chambers to your Association, a probable increase in the European vote. Your proposal is accordingly not without its difficulties. In spite of these difficulties your aspirations will receive the most careful consideration not only on their intrinsic and individual merits but because of the larger principle involved ; for is this not a sign that you have realised the great importance of politics ? To those interested, as you are, in commerce, to my mind the world cannot stand aside and leave entirely to others the responsibilities of political administration and this is especially the case in India. The days have passed when you could afford to be inactive. Your interests in this country are too important. Must not the tendency increasingly be for the policy of Government to act and react on such interests ? However desirous Government may be not to interfere directly with trade and commerce, the inevitable result of its action must be to affect all great interests, often perhaps only indirectly but always in important ways. I need only mention finance and tariff policy as obvious instances affecting you.

#### UNFORTUNATE GAYA RESOLUTION.

Government has heavy responsibilities towards trade ; it has a right to ask you to share them, to call on you to help with advice and to lend expert knowledge ; and you have a right to aspire to join in the task of moulding policy. And my Government, I feel confident, may rely on your sustained interest and sympathy in the problems before us and that we may count on your assistance and support. I need hardly remind you that confidence in the administration and faith in the political future of a country are essential to all commercial well-being. Without such trust trade cannot flourish nor can the country progress. The interests of Indians in particular demand that there should be confidence in the internal situation, that within and without India there should be an atmosphere of trust that all is well with India, that India is stable, that India is marching steadily, step by step, constitutionally and peacefully, to a more complete expression of

herself, to more assured prosperity, to a higher civilisation, to her ultimate goal of self-government and to a greater place in the Empire and the world. At such a time those who have India's interests at heart, those who love her, cannot but deeply deplore the unfortunate resolutions recorded at Gaya. I shall not dwell on them, for, I do not believe that in these resolutions I hear even a faint echo of the real voice of India or of those who served her truly. I will not attach too great importance to these threats. A vigilant watch will however be kept on these preparations and I can give you the assurance that my Government will use all its resources to combat and quell these forces of disorder, should they become manifest. I know that if there shall be need, I can look with confidence to the support of all responsible opinion in this task and as I see the members of these various Chambers of Commerce assembled, the reflection occurs, which came to me recently on another occasion. I cannot exactly analyse the reason, neither is it material, but I find it difficult to address a number of those who are so concerned in the future of India, who have so much responsibility in their individual hands for the development of the prosperity of India without asking them to travel with me for one moment to higher flights of imagination, to look into the future, to strive to picture India as she will be. I see her not as an India with representations of different communities, not an India where the Hindu community shall be striving for its own interests only, or the Mahomedan community attempting to obtain some special interest for itself, or the Europeans considering the interests for the moment of their own community, but an India of all communities, of all classes, in which the Hindu, the Muslim, the European and every other class, race and creed shall join and endeavour to make India a great India and to give her a higher place in the future history of the world, when every man will be doing his utmost for the country in which he has been born or his interests are involved, so that all may concentrate their attention upon the one ultimate goal. But however divergent our individual interests may be, the national interests must be the same, the interests of all communities regarding the future of the country should be identical and will, I trust, become identical. It is looking ahead in India to the obliteration of these distinctions which necessarily rule at the present moment; then she shall have walked further along the road to her ultimate destiny, and I trust we shall have harmonious co-operation which must inevitably lift India high in her material prosperity and in her position in the councils of the Empire and the World.'

## Proceedings

1ST DAY—8TH JANUARY '23

Mr. R. E. Grant Govan, as the Deputy President of the Conference conveyed to H. E. the Viceroy their thanks for the extremely interesting address he had given them and for his presence there.

The Conference then discussed the currency question and after the resolution relating to this had been moved in a lengthy speech by Mr. Rushforth, H. E. the Viceroy and H. E. the Governor left.

### THE CURRENCY QUESTION

Mr. E. V. Rushforth moved the following resolution :—

With reference to the proposals recently put forward to restore the ratio of Rs. 15 to the sovereign, this Association is of the opinion that no alteration of the nominal ratio should be considered until world conditions becomes more stable and until the internal finances of the country have been put on a sound basis.

Thereafter the question of reverting to a ratio of Rs. 15 to the sovereign or any other ratio should be examined by Government in consultation with the various Chambers of Commerce in India before forming the subject of enquiry by a special commission, as such commissions have an unsettling effect on trade and are liable to destroy confidence.

In moving the resolution Mr E. V. Rushforth said :—

The resolutions on exchange and currency in 1921 and 1922 were proposed by the Karachi Chamber of Commerce, and it was with some misgivings that I accepted the invitation of the Bengal Chamber this year to take the lead and to put forward the resolution now before the meeting. The resolution before the meeting to-day perhaps be described as of a negative nature, leading nowhere and making no practical suggestions for the improvement of what are undoubtedly unsatisfactory exchange conditions, but it suggests a policy of *LAISSEZ FAIRE* so far as the question of an exchange ratio between the rupee and the pound sterling is concerned.

There is no doubt that the desideratum in exchange from a trade point of view is stability, and is a natural tendency, therefore, for the business community to welcome any proposals which would eliminate for the future the disturbing variations in exchange which have been experienced in recent years. It is not surprising in these circumstances that in view of the comparatively small fluctuations in rupee-sterling exchange during the past year there should be a revival of the proposals to have exchange fixed on its pre-war basis of 1/4. It is stated that exchange of its own accord worked its way towards the old point of equilibrium, and that everything points to the fact that this is the ratio most suited to the conditions of Indian trade. This idea is based on the common misconception that the currency of a country has some mysterious inherent value, which may be temporarily disturbed by external causes such as a world war, but which will reassert itself as soon as conditions become normal again. The idea has been responsible for wild speculations in foreign currencies, and it is only gradually being impressed upon people that the value of a currency like that of any other commodity is affected by its scarcity, or plentifulness.



It must also be remembered that the various Commissions which have met to consider the exchange problem have invariably had much difficulty in coming to a decision as to the most suitable ratio for the rupee and sterling.

There used to be an impression in some quarters that Calcutta particularly favoured a high rate of exchange owing to the large importing interests on this side, and that the support given to Government at the time the bill for changing the statutory ratio from fifteen to ten rupees per sovereign was under consideration was due to biased interests. It may well be doubted in the light of subsequent events if the change was of any practical use, but the question now is whether the time has come for a further change in the ratio. Our doubts on this point are not based on any lingering hopes that we may once again see exchange soaring to two shillings or higher, pleasant though that prospect might be to some of us as individuals.

From the point of view of India as a whole it is fairly clear that once prices have adjusted themselves to a certain level of exchange, it is immaterial what that level is. The process of adjustment however is a painful process, and to bring into operation forces tending to fix exchange at 1/4 before we are quite certain that this is the point towards which all other price influences are gravitating would merely be in my opinion an unwise proceeding,

### EXCHANGE AND METALLIC VALUES

Prior to the war the currencies of all the important trading nations were based on gold or silver, and the problem of the exchange centred round the stabilisation of the relative values of these two metals. The theory of bimetallism, which was the subject of fierce controversy for many years, has died a natural death, or at any rate is in such a deep sleep that it could with difficulty be reawakened. From 1898 onwards India has belonged nominally and for some time actually to the gold standard nations, and her exchange problem hitherto has been to maintain the exchange value of the rupee at the official level irrespective of the sterling price of silver. Until the outbreak of war the difficulty was to keep exchange up to 1/4 when the silver contents of the rupee were worth only Re. 1 or thereabouts. In the latter years of the war the problem was to keep exchange down to Re. 1-4 when the value of the silver contents exceeded that figure. In short, exchange depended on the relative values of silver and gold, and the control of exchange was merely a matter of accumulating sufficient quantities of each metal, so that Government could by the issue of one and the withdrawal of the other maintain the desired ratio.

To-day's problem however is not one of metals, but of Paper. Most of the currencies of the nations with which India trades are inconvertible paper currencies, those of England and India herself being no exception. It is true that England still nominally retains the gold standard and India a gold exchange standard, but it is useless to disguise the fact that for the time being those standards are ineffective, despite the Gold Reserves of the Bank of England and the Gold Standard Reserve of the Government of India. I think I may go further and say that the exchange values of the pound sterling and the rupee at the present time are independent of any accumulated reserves although I admit that the utilisation of such reserves may have a great effect on the exchanges. In these circumstances we are faced to-day with the problem of changing relative values of paper currencies which are not directly convertible into any common denominator in the shape of one of the precious metals. This is what makes exchange such a difficult subject to-day. So long as the pound sterling

was convertible into a sovereign and fifteen rupees into a sovereign in India, exchange was merely a matter of the cost of transporting gold from England to India or vice versa. To-day however all we know is that a bale of jute is worth so many rupees in India and so many pounds in London, and that if London buys that bale it will only be when the rupees and pounds equate in the exchange market. Most of the difficulties of traders during the past few years have been that the value of jute and every other commodity expressed either in rupees or pounds sterling has been subject to severe fluctuations, and in these circumstances the ratio between the rupee and the pound sterling could not be expected to remain constant. It must also be fairly obvious that the ratio between the two units of currency is dependent primarily on the value of each unit in terms of commodities, and that any attempt to fix the ratio between the units is doomed to failure so long as the value of the units in terms of commodities is constantly changing.

### PAPER CURRENCY AND TRADE DEMAND

Now, remembering that these units are paper, what is it that gives them any value? Merely the fact that the supply is a monopoly of Governments, which can issue or withdraw them at will. Their value depends on the scarcity of the supply, and the supply depends on the willingness of Governments to create them. Before the war the supply of currency depended entirely on trade demand. If there was a scarcity in any country and the value of that country's currency tended to rise, gold or silver was attracted to that country and was converted into currency at the mint. Since the war trade demands have had little or nothing to do with the supply of currency which has been regulated almost entirely by the needs of the various Governments. This constitutes the fundamental difference between pre-war and post-war exchange problems. Almost every civilised Government has succumbed to the temptation to create currency to meet its own needs, and until this method of increasing the currency has definitely ceased, it is useless to expect stability of currency values.

### STERLING AND GOLD

The stability of the pound is a matter with which we cannot concern ourselves practically at present, but two points may be mentioned as showing the complex nature of the problem. The first is the obvious determination of the British Government to restore the pre-war value of the pound sterling measured in gold; in other words to recreate a free market for gold in London. The rise in the dollar sterling quotation from 325 to 465 in the past two years is sufficient evidence of this determination. The second is the apparent desire of the United States Government to restore the pre-war value of gold in terms of commodities, as indicated in the policy which brought the price level down from 272 in May 1920 to 142 at the end of 1921, a result of the most drastic deflation of credit and currency ever experienced. In addition to the question of the pound sterling in relation to gold, there is the complicated problem of the relation between the pound and other European currencies. Most of India's foreign customers make their purchases through the medium of sterling. Until therefore they are able to command a regular supply of sterling, that is, until they are able to stabilise their own currencies their demand for the rupee and for Indian products will be erratic and uncertain. The first condition to be

satisfied therefore before it is possible to reconsider the question of a ratio for the rupee in relation to sterling is stability of world conditions outside India.

### INTERNAL STABILITY

The second condition is internal stability and the first step towards this end is the attainment of budgetary equilibrium. Financial disorders are due without qualification to budget deficits. Minor difficulties have arisen through temporary disturbances in trade; but banks have always been able to cope with these through the ordinary machinery which controls credit. The connection between currency and credit is very intimate, and it is sometimes asserted that the responsibility for the stability of prices, and therefore of currency, rests ultimately with the banks. This may or may not be the case, but credit policy undoubtedly depends largely on currency policy. A budget deficit means either direct inflation of the currency by Government or credit inflation forced upon the banks by Government, either of which is fatal to internal stability. Mr. McWatters dwelt at length in his Currency Report for 1921-22 with the effect of Government operations on the Imperial Bank, and remarked that the maintenance of so high a rate as eight per cent for so long a period was due to special factors in which the Government position played a prominent part. The main point to be observed is that Government should rely on the Bank only to bridge temporary gaps between revenue and expenditure. The same rule should apply to the issue of Treasury Bills. To utilise either as a means of obtaining funds for expenditure they cannot meet from income is unsound finance, which must result in inflation of credit and instability of the rupee.

### COUNCIL BILLS AND REVERSE COUNCILS

One or two other points may be referred to in connection with the effect on the value of the rupee of Government operations. The first is the provision of funds for the Secretary of State, or the transfer of funds from London to India. Considerable importance is attached to the selling of Councils or Reverse Councils, and here again there is a superstition that the one process must send exchange down whilst the other does the opposite. Consequently the sale of either is liable to be interpreted as a definite indication of policy on the part of Government in respect of exchange. It seems most desirable that for the time being at any rate, neither Councils nor Reverse Councils should be sold except for the express purpose of the transfer of funds for the convenience of Government. If the Secretary of State requires funds which should be provided out of the revenues of India, Council Bills should be sold, or in other words Government should make the remittance in exactly the same way as any private importer would. The policy of meeting current revenue out of loans in England is just as unsound as it is in India, and although some may regret the necessity for selling Councils at the present time I think we may look upon the decision as a step in the right direction. It is of the highest importance that the loan credit of India in England should be used entirely for capital expenditure, and the issue of loans for revenue purposes must seriously affect India's credit. It is obvious that in a normal state of affairs Government must remit the funds required for the current expenditure of the Secretary of State, and their abatement from remitting only means an exaggerated state of that condition experienced in 1920 and 1921 when importing merchants

### GOLD STANDARD RESERVE

There is of course the suggestion that they should fall back on the Gold Standard Reserve, but most of us will agree that the object of this reserve is to see us through a temporary crisis, and to start utilising it at this time would, I am afraid, be rather like encouraging the rake's progress. Needless to say, the remittance of funds by means of Councils and also through the Gold Standard Reserve involves the provision of rupees in India, and it is essential that these rupees should come out of revenue and not out of loans or bank credits. We thus come down again to the fundamental requisite of internal stability, namely a surplus of revenue over expenditure. As regards reverse councils I trust we have heard the last of these for a long time to come. The proposal that Government should begin dissipating their sterling resources in order to maintain exchange at any level is anomalous at a time when the Secretary of State should be placed in funds for his ordinary expenditure.

I think I have said enough to show that no change in the nominal ratio of the rupee and the sovereign can be of the slightest advantage to India so far as stability is concerned. I admit the convenience and desirability of stability, but present conditions are unsuitable for any attempt to attain this end, and none can say with any certainty what would be the result of fresh interference by Government.

For the present India must feel her way towards stable conditions along with the other countries of the world, which are still suffering from the upheaval caused by the war. Internal currency reform is the first necessity, and this cannot be facilitated by any currency committee. The results of the Lord Inchcape Committee will, it is hoped, give us a good start, after which it will be time enough for Government to begin to reconsider the question of an exchange ratio. From what I have said regarding the first part of the resolution it will be clear that I do not think the matter can be finally settled in India but it is advisable that the preliminary examination of the question should be an open discussion between Government and the various Chambers of Commerce. The time will certainly come when a ratio will have to be fixed between the rupee and the sovereign, and I think that time will be indicated by a general acceptance of the necessity for action.

Sir Montagu Webb seconded the resolution which was supported by Mr. Meston and Mr. Smith and carried unanimously.

### COMPENSATION TO WORKMEN.

Mr. W. C. Currie moved the following resolution:—

This Association records its appreciation of the action taken by the Government of India in supporting a Representative Committee to examine the proposals for legislation in respect of Workmen's Compensation before introducing a Bill and at the same time it desires to commend to Government the criticisms submitted by members of the Association on particular clauses of the Bill now in the hands of a Joint Committee of the Indian Legislature, especially with reference to the following matters:—(a) the advisability of dealing in separate Acts with the subjects of Employers' Liability and Workmen's Compensation, and the necessity for passing an Employers' Liability Act be subject to further consideration; (b) the necessity of including in the Employers' Liability pro.

visions, a limitation of liability to the extent of three years' earnings, (c) the inclusion of a provision to the effect that dependency on a deceased workman must be actually proved before the right of any dependant to compensation can be established; (d) the modification of the definition of the term "seaman" to follow the definition contained in the Indian Merchants Shipping Act I of 1856; (e) the provision in the Bill of Machinery the adoption of which by the employer will be a sufficient discharge of the onus imposed on him of making an order known to the workman; (f) the provision to the employer, instead of paying compensation to an injured workman on the scale laid down, of the option of paying the workman full wages on condition that the workman continues to stay in the place of employment; (g) the provision of machinery which would enable parties, at any time and with particular reference to the question of contracting, to ascertain how, under the Act, they would be situated in respect of the question of liability for, or right to, compensation.

After some discussion the resolution was amended to read as follows :—

This Association records its appreciation of the action taken by the Government of India in appointing a representative Committee to examine the proposals for legislation in respect of Workmen's Compensation before introducing a Bill and at the same time it desires to commend specially to Government the criticisms submitted by the various Chambers of Commerce comprising this Association of particular clauses of the Bill now in the hands of a Joint Committee of the Indian Legislature.

The amended resolution was adopted unanimously.

#### RAILWAY MANAGEMENT.

Sir Rajendra Nath Mookerjee moved the following resolution:—

This Association re-affirms the resolution in this connection passed at the annual meeting of the Association in January 1922; and, in view of the proved disadvantages in almost all countries where it has been adopted, of the system of State Railway Management, and the growing tendency to revert to a company managed basis, the Association strongly recommends that those railways in India which are now managed by companies should be under company management with Boards domiciled in India and should not be transferred to the direct management of the State.

The resolution after some discussion, was unanimously accepted.

#### WIRELESS COMMUNICATION.

Sir Montagu Webb moved the following resolution :—

That the Government of India be urged to secure for India forthwith a wireless installation of adequate power or over, capable of expansion, and able to transmit messages at high speed, so as to place India in direct communication with any part of the world and give to this country the advantage of becoming a vital link in the inter-continental system of wireless communications now being organised. This Association further urges that Government should engage private enterprise for the construction of the installation so as to reap the advantage of every patent and improvement as soon as possible; Government in respect of such concession to have the right to stipulate the maximum rates for transmission and have the option of taking over the installation after a

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**period of years but before concluding any agreement Government shall consult commercial opinion in India with regard to the provision of the same.**

**The resolution was unanimously accepted.**



## 2ND DAY—9TH JANUARY 1923

## Resolutions

The Associated Chambers of Commerce of India and Ceylon resumed their Conference at the Royal Exchange next day at eleven o'clock under the presidency of Sir Chamberlain Rhodes. Prior to the resolutions on the agenda being taken up, certain formal items were put to the Conference and unanimously adopted. These related to the annual report, the audit, etc.

## INDIA'S FISCAL POLICY.

The President next said that there were two resolutions relating to the fiscal policy of India—one by the Bengal Chamber and the other by the Karachi Chamber. As the Karachi Chamber was for free trade and the Bengal Chamber favoured a protective tariff, the resolution of the Karachi Chamber would be treated as the original resolution and the resolution of the Bengal Chamber as an amendment to it.

Sir Montagu Webb then moved the Karachi Chamber resolution which ran as follows :—

“That having regard to the very great preponderance of the consuming classes in India on whom the cost of protection would most heavily fall and also to the satisfactory development of industries already taking place in the country, the Association is of opinion that the best policy for India is one of freedom in trade matters so far as revenue needs of the Government will permit.”

Sir Montagu said surprise might be felt that a member of the Fiscal Commission should move a resolution which perhaps ran somewhat counter to the recommendations of the Commission, but the Karachi Chamber considered that he had had opportunities of studying both sides of the question and would be able to present the free trade argument. He did not think it necessary to suggest that free trade in theory was incontrovertible. He was perfectly aware that although free trade could be given to India with the greatest possible results at the lowest cost, it has been recognised in some quarters that infant industries needed encouragement. The report of the Fiscal Commission was based on that principle. Karachi however held that the country had made as much progress industrially as could reasonably be expected in the circumstances of the country. India had recently been given a place by the League of Nations as one of the eight greatest industrial countries in the world and he could conceive of no moment more unsuitable for the introduction of a protective policy in India than the present when the industrial nations of Europe were so to speak in extremis and competition was going to be so keen that even if India introduced protective tariff it was doubtful if she will be able to hold her own.

Mr. W. L. Carey on behalf of the Bengal Chamber moved the following amendment :—“This Association which represents important industrial and commercial interests in India, while realising



that public opinion in this country is largely committed to the belief that a protective tariff policy is necessary to the progressive development and expansion of Indian industries, is strongly of the opinion that any measures which may be taken on the lines recommended in the report of the Indian Fiscal Commission must be guided by discrimination as indicated in the main report so as to lighten as far as possible the inevitable burden on the people. Further the Association desires to emphasise that any Tariff Board established in accordance with the proposals of the Commission should be constituted on a purely non-political basis, and should be appointed by the Executive Government from among the men available irrespective of party or political beliefs."

Mr. Carey in the course of a very long speech said that now that the Fiscal Commission's Report had been published the Association had to decide a definite line of action bearing in mind the interests of the country as a whole and at the same time not forgetting the interests and industries which they represented and its effect on the internal trade and on the cost of living of the ryot and the country's workers. India could produce in normal years enough and to spare of food for its population and with improving methods should be able vastly to increase the present production. At the same time she had to fear increase in the costs of living as a result of protection and one of the first items in which that would be felt would be clothing. The greatest care must be exercised to work out the policy on right lines so as not to interfere with the expansion of her export trade. India was undoubtedly in the position of great strength for the development of industry and progressive and ordered development should one day give her a place among the industrial countries of the world equal to her resources and worthy of her wealth in raw materials. Emphasising the necessity of discrimination, Mr. Carey laid down that the industry under consideration must possess natural advantages and the situation of its raw materials must be such as to permit of their development. The industry must be unable to support itself in open competition during the stage of growth and should be able eventually to do without protection.

To sum up, he said, the country is practically committed by its public men to a policy of protection. Many of us think that this is the right course for India, but we all feel that progress along this dangerous line must be cautious and with adequate safeguards to protect the interests of the poor majority of the population.

Sir Edgar Holberton on behalf of the Burma Chamber supported the amendment. Mr. C. E. Wood representing the Madras Chamber remarked that the Madras Chamber of Commerce adhered most definitely to the policy of free trade. Mr. T. Gavin Jones of the Upper India Chamber of Commerce supported the amendment. Mr. F. Nelson also supported the amendment on behalf of the

Bombay Chamber of Commerce. The amendment was carried by 7 votes to 3.

#### EXPORT DUTY ON HIDES AND SKINS.

Sir Montagu Webb moved the following resolution :—“That in the opinion of this Association the export duty on hides and skins should be immediately removed on the ground that: (1) it has proved useless for the purposes for which it was imposed: (2) it is economically unsound: (3) it has caused undeserved loss and suffering to all concerned, and particularly to those working in a small way in the trade in the villages throughout India.”

Mr. A. J. Leech on behalf of the Madras Chamber opposed the resolution and asked that it be withdrawn. Mr. T. Gavin Jones supported him.

The resolution was however carried by 6 votes to 3.

#### TAXATION OF MOTOR VEHICLES.

Mr. R. E. Grant Govan of the Punjab Chamber moved the following resolution:—“That in view of the paramount importance of developing the country's communications this Association recommends that the present excessive taxation of motor vehicles by reason of customs duty and heavy duty on petrol should be substantially reduced, and that, in the framing of regulations for the control of traffic and local taxation of vehicles, the advisability of fostering transport undertaking be carefully considered.”

Mr. R. Langford Jones on behalf of the Bengal Chamber observed that no one in this country would deny that the duty on motor vehicles was excessively high whether he be a buyer or a seller. At the same time the depression in the motor trade was linked with the depression in trade generally. He suggested an amendment that at the end of the first part of the resolution after the word “reduced” the words “as soon as financial circumstances permit” be added.

Mr. R. E. Grant Govan was unable to accept the amendment.

The amendment was lost. The first part of the resolution was carried by 7 votes to 2 votes. The second part of the resolution was unanimously accepted.

Mr. R. Langford James moved the following resolution :—

“In view of the effective provision now made as between the United Kingdom and India for relief from double Income Tax, this Association urges the Government of India to continue negotiations with the Government of the Straits Settlements and with the administration of Indian States, for the introduction of similar reciprocal measures of relief.”

The resolution was carried.

#### INDIAN STAMP DUTIES.

Mr. F. Nelson of the Bombay Chamber moved the following resolution :—

“This Association urges upon Government the desirability of examining the incidence of the existing rate of stamp duty charge-

able on Demand Promissory Notes with a view to determine whether by the imposition of an increased rate of duty, a substantial increase in revenue could not be derived therefrom, having regard to the very wide extent to which these instruments are used in all classes of trade in this country."

"The mover said that his Chamber was actuated by the desire that it should be urged upon the Government of India that what they conceived to be a faithful source of increased revenue might be very fully explored by the authorities. He said that they were fully alive to the fact that whilst an increase in duty on these instruments was possible in Bombay this might not be the case elsewhere. The proposition is very far-reaching and in a sense was complicated. Promissory notes were deemed to be instruments in respect of which uniformity was practically desirable and they were therefore subject to central legislation. The position at present was that whilst local Governments received the estimated proceeds from the sale of stamps used in respect of such instruments, they had no power to alter the rates of duty prescribed. Demand Promissory Notes was the best form of security, collateral or otherwise, accepted by money lenders, Indian merchants, Bankers etc., The greatest danger lay in suggesting any increase to a figure which might induce evasion.

The resolution after some discussion was put to the vote, four voting for and four against it. The resolution was lost by the casting vote of the President.

Sir Montagu Webb of the Karachi Chamber moved the following :

"That all Provincial Governments be asked to co-operate with each other to secure uniformity in the rates of duty for non-judicial stamps."

The resolution was carried.

#### IMPERIAL INSTITUTE.

Sir Robert Watson Smyth moved the following resolution :

"This association regrets that the Government of India without consultation with commercial opinion in this country and on grounds which so far as these are known to the Association do not appear to be adequate, have decided to discontinue the annual grant of £1,400 to the Imperial Institute. In view of the important work which has been and is being done by the Institute on behalf of India the Association is of opinion that the annual grant should be continued, and recommends that the Government of India should reconsider the matter."

Sir Montagu Webb of Karachi Chamber and Mr. A. R. Leishman of Chittagong Chamber supported the resolution which was carried.

#### PORT OF CHITTAGONG.

Mr. A. R. Leishman of the Chittagong Chamber moved the follow-

ing resolution which was seconded by Mr. K. Campbell of the Bengal Chamber and was carried.

"That the Government of India be moved immediately to declare their policy with regard to the future financing and administration of the port of Chittagong: That the Government of Bengal be approached with the request that they should make full enquiry into the necessity for improving the facilities of the salt trade of Chittagong to enable them to represent to the Government of India the particular necessity for the improvement of Salt Gollah accommodation."

#### FOREIGN CONSULS.

Mr. K. Campbell moved the following resolution which was carried :

"This Association desires to invite the urgent attention of the Government of India to the considerable handicap imposed on international trade by frequent changes in consular fees and procedure and especially by the increasing adoption of 'ad valorem' charges for the vise of consular invoices. The Association is further of opinion that it would be to the general advantage if in place of such 'ad valorem' charges, a system of import duties in the country of destination were substituted."

#### COMMERCIAL AVIATION.

A resolution regarding commercial aviation was moved by Mr. E. Villiers, M. L. C. (Bengal). It urged the Government of India to institute an inquiry to ascertain to what extent would India be justified in giving official support to Commander Burney's or any other responsible scheme for starting aerial service between the United Kingdom and India, what possibilities existed of establishing services between India and Europe and within India and Burma and whether and to what extent such services at their first inception might be accorded Government assistance.

The resolution was carried unanimously.

#### STATE COMPETITION WITH PRIVATE ENTERPRISE.

Mr Nigel Paton (Bengal) moved :—"That the Association views with misgiving the action of the Ichapore Rifle Factory in making sales to the public and asks Govt. to declare its policy in the matter and what steps are being taken to avoid competition with private enterprise."

Mr. C. E. Wood of the Madras Chamber moved the following amendment.

Delete the words from "and what steps etc, to private enterprise" and substitute the following "and to assure this Association that it is contrary to the policy of Government to compete with private enterprise.

The amendment and the original resolution were put to the vote and both of them were carried.

## INDIAN LEGISLATIVE ASSEMBLY.

Mr. W. L. Carey moved the following resolution which was seconded by Mr. F. Nelson of Bombay Chamber and was carried :

“The Associated Chambers of Commerce of India and Ceylon emphasise and repeat the resolution which they adopted at their last annual meeting calling attention to the unsatisfactory result of the exclusion of the Association from direct representation in the Indian Legislative Assembly, and pressing strongly the claim of the Association to such representation. The Association desires to express the disappointment felt by its members that, whereas other important Chambers of Commerce and Associations are rightly given direct representation on the Assembly, such representation is still withheld both from this Association as a whole and from its members individually, not one of these being thus represented in the discussion in the Assembly on matters of commercial and industrial interest so important as the budget, taxation, exchange, fiscal policy, the railways and workmen's compensation.

## RETRENCHMENT COMMITTEE.

Sir Montagu Webb moved the following resolution :—

“That having regard to the very grave financial situation that has arisen owing to the expenditure of the Government of India, for the fifth year in succession, very largely exceeding the revenue :

“And looking to the experience of the last two years which shows clearly that the limits of taxation in most directions have now been reached, and that the possibilities of raising further revenue are very small :

“This Association warmly welcomes the appointment of the Retrenchment Committee under Lord Inchcape, and is strongly of opinion that State expenditure must forthwith be very materially reduced so as to permit of the balancing of India's budgets.”

In moving the resolution Sir Montagu strongly criticised the budget and the power of certification of the Viceroy which, he said, was extremely regrettable. But Sir Edgar Holberton of the Burma Chamber proposed an amendment to the effect that the first two paragraphs in the resolution be deleted. Sir Montagu Webb opposed the amendment and maintained that the situation was very grave and appealed to the Conference to pass his resolution as a whole.

The amendment having been put to the vote was declared carried, six voting for and four against it.

A resolution was next passed thanking the Viceroy for promises held out in his speech, especially in the matter of realising debts speedily in the Courts of Law.

After a vote of thanks to the chair the session then closed.

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ANNUAL CONFERENCE OF

# The Indian Railway Association

*SIMLA—9TH OCTOBER, 1922*

The Annual Conference of the Agents and other high officers of the several Railways in India was opened at Simla on October 9th. 1922 by Brigadier General Magniac, the agent of the Madras and Southern Maharatta Railway, in the Committee Room of the Legislative Assembly. Representatives of the various Indian Railway Administration in India, numbering about 30, attended. The Hon. Mr. Innes of the Govt. of India, Colonel Waghorn and Members of the Railway Board were present.

## NEW CHIEF COMMISSIONER.

Mr. Hindley, the late agent of the East Indian Railway and subsequently the Chairman of the Commissioners for the Port of Calcutta, has been chosen for the new appointment of Chief Commissioner for Railway in pursuance of the Acworth Committee's recommendations and he is to make recommendations for the reorganisation of the Railway Board,

The question of reorganisation has been engaging the keenest attention of the public ever since the Acworth Committee's report was published in October 1921 (See I. A. R. 1922 for this report) and even in the September session of the Indian legislature in 1922 several interpellations were raised by non-officials, and at last when the representatives of railways came up to Simla in October 1922 a timely announcement was made giving effect to this important recommendation of the Committee. The future policy of railway administration is dependent on the character and constitution of the Railway Board for the re-organisation of which the Government of India await Mr. Hindley's proposals. The history of Indian railway administration is largely the record of the inefficiency of the Railway Board, which from Simla or Delhi exercises a most unwholesome control. The Railway Board was formed in 1904, with the idea that there should be a body of practical businessmen entrusted with full authority to manage the railways of India on commercial principles and freed from all non-essential restrictions or needlessly inelastic rules. The duties of the Board constitutionally are two-fold—deliberative and administrative. The first includes the preparation

of the railway programme and questions of railway policy and finance; the second includes the construction of new lines, the carrying out of new works on open lines, the improvement of railway management with regard both to economy and public convenience, arrangements for through traffic and settling disputes between railways.

Both the Acworth and Inchcape Committees have recorded their verdict that the Railway Board has failed to justify its creation and existence, while all Railway administrations have long recognised in the Board a heavy drag on their progressive reforms. The Indian Retrenchment Committee's Report, concluding its review of railway management, states:—We are convinced that, in a country like India with her vast territory and differing peoples and circumstances, IT IS AN IMPOSSIBILITY to control the details of all the railways from Delhi or Simla as at present. Decentralisation is in our opinion essential if railways in India are to be developed on economic lines." Mr. Hindley will be solely responsible of advising the Government of India on matters of railway policy and the sufferings of traders and passengers could only be alleviated by the adoption of a policy quite different from what is now being pursued. India would have preferred an expert from America in place of Mr. Hindley, because it is in America that there is the most highly efficient system of railways.

With the administration of railways in India is bound up the problem of State versus Company management. This has also been looming large for some time past and only recently the several Chambers of Commerce and other public Associations have sent their views to the Government of India.

#### COMPANY VS. STATE MANAGEMENT.

While the views of the European capitalists has been on the side of Company management. that of the Indian Merchants has decidedly been in favour of State management. This question was sought to be decided by the Railway Conference which held its session in Simla from the 9th till the 21st October 1912. What the nature of its decision is has not been made public, as the proceedings were held in camera, but if the views and predilections of the railway representatives present at the Conference afford any clue to the matter, it can be fairly guessed that the conference will by an overwhelming majority vote for company management. The presidential address gives clear indication. Brigadier-General Magniac is the Agent of a railway managed by a Company and his views are clearly for the perpetration of company management. Throughout he seems to be greatly perturbed by the possibility of Government being drawn into accepting the idea of state management and so he warns them against adopting that course by quoting the unfortunate financial results of state management in the principal countries of Europe, South Africa and America.

### The Presidential Address

Brigadier-General Magniac, in opening the proceedings, made a lengthy speech in the course of which he said :—

#### CONGESTION IN RAILWAYS

“In his speech as President of this Association in 1916, Sir Lawless Hepper stated that he believed that the first essential for the cure of congestion lay in the more general adoption of a heavier goods train load and the more extended use of wagons of high capacity, and he drew attention to the impossibility of attaining this solution so long as the main lines of railways were hampered by antiquated locomotives of small tractive power, by wagons of low capacity and by permanent way and bridges which cannot carry a modern engine. The conclusion which Sir Lawless Hepper drew was the obvious one that the timely elimination of worn out and obsolete equipment is a vital factor in the development of railways. Sir Lawless Hepper's suggested cure can only be accepted in a general sense and must not be carried too far, since the actual traffic situation is by no means identical on all railway systems.

#### THE RAILWAY BOARD.

We are all directly interested in any changes in the constitution and functions of our direct controlling authority, the Railway Board. The present financial position in India has, no doubt, delayed the Government decision, but in the Legislative Assembly of the 25th September a resolution was carried favouring the recommendations of the Acworth Committee for a reconstitution of the Railway Board. I would like to draw attention to the criticisms of the Acworth Railway Committee on the detailed control exercised by the Railway Board under the existing system, and this point was referred to last year in the opening speech of the President of this Conference. We were then given grounds for hoping that there would be some change in the direction of a diminution of the detailed control exercised under the old system. During the past year, however, there has not been any indication of such reduction in control. In fact, in more than one direction in case of companies' lines at any rate, powers have been curtailed while sanction to estimate has not been always so readily accorded as in the past and increased detail has been called for in connection with certain accounts. We are not in a position to judge of the reasons, political or financial, or both, which have influenced the Railway Board in passing their orders, and I take this opportunity of acknowledging gratefully the generous help and advice in difficulties which they have so often extended to us. But I submit, both in the interests of efficiency and of that economy which is so vitally necessary at the time and which has been specially referred to us by the Railway Board, that a reduction in correspondence is most desirable and that such reduction can best be secured by the grant of more exten-



sive powers by the abolition of any unnecessary particulars in the matter of accounts, and by a general relaxation of control over questions of local detail.

#### STATE VERSUS COMPANY.

The important question of the relative advantages of State as compared with company management is still under the consideration of Government, and the future of the East Indian and Great Indian Peninsula Railways is being weighed in the balance. Public opinion in India is much divided over this question. It may be considered, and justly so, that this is a question of which the members of this Association are not in a position to express any impartial opinion, but the consequences of the Government decision are of such momentous interest to us all and affect some of us so closely that I feel some remarks on my part are justifiable. A very able expression of the views held by influential business men, views which are supported by carefully considered reason, has been presented in the reply submitted to Government by the Bengal Chamber of Commerce. The unfortunate financial results of State control in nearly all the principal countries of Europe as well as the similar results in South Africa and of temporary Government control in America give food for serious thought. It is true that, as pointed out by certain members of the Acworth Committee, the existing system of State management in India is not state management as properly understood but a reflex of company management, but should it be decided by Government to take over eventually the management of all company worked lines as their present contracts expire, it appears inevitable that the present system of State management could not be maintained and that this would tend to approximate more and more closely to the system in force elsewhere and I know of no reason for anticipating that the financial results of this in India would be any more favourable than in other countries.

#### DIFFICULTIES OF BOARD MANAGEMENT.

The scheme proposed by certain members of the Acworth Committee for company management under a board domiciled in India is doubtless open to criticism. To meet railway requirements a more elastic system of finance and a relaxation of Government control is desirable, and the difficulty of finding the required type of Directors at all railway head-quarters has, I think, been under-estimated. Railways are a technical undertaking, and Board Directors who have no technical knowledge are likely to find themselves occasionally somewhat at sea and to add to their Agents' work and anxieties. The Committee stated in their report that the proper functions of Government are to shape railway policy, to watch, think and plan and not to carry out routine duties. And the proposal of certain members of the Committee for so large a proportion of Government Directors in the constitution of a

company's Board in India are not easy to understand. A railway company should be permitted to be master in its own house and to direct its own local policy within such safeguards as Government may decide to be necessary.

An important proposal which was recommended by the Committee, and which is likely to take a practical shape in the near future, is the appointment of local advisory councils for each railway system. This proposal is one which we can all cordially welcome so long as the functions of these councils are no more than advisory, as has been provided for adequately in the rules approved by Government. It will always be useful to learn the opinions of practical businessmen, and their advice will often be valuable. Railways have been subjected lately to a good deal of adverse criticism both by the public and in the Legislative Assembly. Much of this criticism believed to be due to a lack of knowledge of the efforts made by railways to provide amenities for passengers and to the ignorance of railway limitations and difficulties. The free discussion of complaints and ventilation of ideas should do much to remove misunderstandings and foster public confidence in the genuine desire of all railway administrations to find an adequate and reasonable solution to the various problems of passenger convenience and efficient transportation.

#### LABOUR PROBLEM.

New legislation in regard to labour is under the consideration of Government in two directions which will affect railways very closely. One of these is the registration and protection of trade unions. This question has already received the careful consideration of all company's boards, and while they are in sympathy with the wish of Government that trade unions in India should develop on healthy lines, a note of warning has been sounded against any undue haste and the risk of making a mistake which afterwards it might be difficult to remedy. A somewhat similar warning against following too closely the legislation in England has been given by the Bombay Chamber of Commerce and other kindred associations. The special conditions obtaining in this country required special measures, and it is essential to take a firm stand against the exploitation of railways for political purposes. Railways are important utility undertakings, the working of which affect one interest of trade and the general welfare of the public. They cannot be classed in the same category as private institutions, E.G., engineering works, mills, etc. Any new legislation should include adequate safeguards against such action as "lightning strikes." It is understood that Government is examining this question. In regard to the settlement of Strikes the force of public opinion and the good sense and good faith of the parties concerned should afford the best means of arriving at a satisfactory solution.

## QUESTION OF RATES.

The report of the Indian Fiscal Commission has now been published. This favours the levy of customs duties on goods imported by Government. In the case of railway material, the effect of any increase in the Import duties must be to limit the purchasing powers of railways in the case of store required for revenue purposes. Any increase in customs duties will increase working expenses, and any duties on material required for new works and paid for out of capital will become a part of the total railway capital outlay, the interest on which must be paid out of future revenue. These are questions, however, which concern Government more than railway companies, on account of Government's preponderating share in railways. The Commission has referred to the principals which govern the policy of railway rates. The complexity of these principles has been clearly explained in the report of the Rates Advisory Committee appointed in England in 1920 under the Ministry of Transport. This Committee points out that the total cost of service upon railways for the transport of merchandise and for the carriage of passengers cannot be allocated separately, and it follows that the aggregate cost to a railway of the carriage of its merchandise cannot be ascertained with certainty. It thus becomes impossible, except in rare cases, to ascertain even approximately the cost to a railway of the carriage of any particular commodity. They also give sound reasons for certain traffic which cannot bear its full share of the total sum to be raised by railway goods rates should be carried at reduced rates, and they mention that this principle is accepted in all countries.

## INCREASED CHARGES.

This Committee also point out that the task before any independent authority, such as the Rates Tribunal, is that of making such adjustments in railway charges as will not hinder the flow of traffic and yet will supply sufficient revenue to pay all expenses and provide at the same time a fair return upon the capital invested. This is equivalent to stating that railways must be worked on sound commercial lines in the same way as any other industrial or business undertaking. If railway charges be fixed so as to return a fair interest on railway capital, it is evident that either the railways must be closed or that instead of contributing a substantial amount to the general revenue of the country, as they have done generally in recent years, they will become a burden on the taxpayer. Public capital would then cease to be attracted and the funds necessary to provide the full facilities so essential to India's industrial development would not be available, with the result that the general efficiency of the railways would be liable to be seriously impaired to the detriment of trade and the general welfare. Recommendations in favour of the appointment of a rate tribunal in India, similar to that appointed in England, were made in the report of the Acworth Committee.

They mentioned however that the law of railway rates is not a simple matter and that, so far as is known no lawyer in India has specialised in this subject. The views which I quote are the considered opinions of men with exceptional experience in dealing with this difficult question of rates, and must therefore be allowed their full weight. It is evident that the constitution of any rates tribunal and the regulations fixing its functions and jurisdictions will require the most careful consideration. The risk of permitting railway policy in the matter of rates to be influenced by industrial controversy or political consideration is, I trust, a remote one at the present time, but there are indications that such a risk does exist and it must not be lost sight of since any such interference would have far reaching results which must well be disastrous to the progress and development of the country.

#### STANDARDIZATION.

Turning to the subject included in the agenda, one very important question is the standardization, both of wagons and locomotives. In the case of wagons we have certain proposals before the Conference made by the Locomotive Superintendents Committee for standardising important details. If these can be generally accepted it will facilitate the repair of stock while on foreign railways and assist us in moving another step forward towards more general standardization. In the case of locomotives the question is more complicated one. There are, in fact, two questions involved in this subject, viz., (1) the standardization of locomotive types and classes and (2) the standardization of component parts which are closely allied. We doubtless all agree in principle that the standardization of locomotive types is eminently desirable, but the problem of fixing upon satisfactory standard type designs suited to the general requirements of Indian railways is a big one. To obtain a satisfactory solution will probably necessitate both the appointment of a special committee assisted by a bridge engineer and the co-operation of consulting engineers and locomotive builders. I understand that the railway Board propose that certain type of locomotives should be standardized for India, and that as few classes as possible of each type should be adopted by railway administrations in order to permit classes to be standardized whenever possible. The standardization of the details for such engine can then be considered while aiming at interchangeability of similar details among the various classes and types. There is no objection to approved experiments but the results, i.e., the experience gained, should be pooled. The question before the Conference is to decide whether we favour the appointment of a special committee and if so what the terms of reference to that Committee should be.

In conclusion, I wish to offer brief remarks on the general traffic situation. Last year was an unfortunate one for all railways owing to the trade depression and consequent falling off in almost all

classes of traffic and also the continued abnormal rise in working expenses. In the current year we have brought into force certain enhanced passenger fares and goods rates have been raised. I have a detailed knowledge only of part of Southern India and although in the south we cannot claim to have a volume of trade comparable with that of the railway systems serving the ports of Calcutta, Bombay and Karachi, yet we serve an enormous tract of country, a fact which is sometimes overlooked. It is too early as yet to judge of the effect of the enhancement of passenger fares, also it must be borne in mind that each year has its own special events and its individual general situation. There are various causes, religious, social and political, as well as the general conditions of the trade, which influence passenger traffic. From information so far available there has been some fall in passenger numbers and this fall is rather more marked on certain railways than on others. The travelling public is conservative and takes a little time to adjust itself to changes. In the south the figures for September have begun to show some recovery. On my own system it is the upper classes which have been most affected. There has been also some reduction in military and police traffic as compared with last year, and foreign trade continues very dull. We are beginning to experience some road competition in the shape of motor buses which are proving popular for short journeys, and August last year, we had the Malabar outbreak,

In the case of goods traffic on my own system the weight of goods carried shows little variation over last year, but further south the effect of the Malabar outbreak and trade depression still continues. From general information furnished to me the increase in goods rates does not appear to have influenced goods traffic adversely. monsoon has been indifferent over a part of the Madras Presidency, but has been generally good in most other parts of India and should continue. If continental exchanges take a favourable turn, a considerable development in trade and consequently in railway traffic would undoubtedly result. Unfortunately, the political atmosphere in Europe is still far from peaceful, and while one may be hopeful of an improvement in the situation in the coming year, I do not think we can anticipate any important development in overseas trade for some time to come.

## THE REPRESENTATION OF THE Bengal Chamber of Commerce

The following is the full text of the views of the Bengal Chamber of Commerce referred to in Genl. Magniac's address (p. 732)

The Secretary, Bengal Chamber of Commerce, in a letter to the Secretary to the Government of India, Railway Department (Railway Board), says with regard to the question of the future management of Railways in India :—

Reference is made to the four possible methods of management discussed by the Acworth Committee, namely :—

- (1) Management by English Companies,
- (2) Management by a combination of English and Indian Companies,
- (3) Management by Indian Companies; and
- (4) Management directly by the State.

Management by either of the first two methods was ruled out unanimously, but the Acworth Committee were equally divided on the alternative between management by Indian Companies and direct State management.

The Government of India have not decided which of these alternatives is to be accepted with regard to the future, but they ask that the question should be considered with particular reference to the position of the East Indian Railway and the Great Indian Peninsula Railway, as the matter is of special importance with regard to these lines in view of the fact that the contract in the case of the former expires in December 1924, and the contract in the case of the latter in July 1925. To facilitate discussion, the outlines are given of two schemes which have been framed to indicate the principles upon which Company management in India might be continued in the event of the final decision being in favour of this form of management. Reference is also made to the possibility of adopting the expedient of associating with the Agent of the railway a Board of Management on the lines of Port Commissioners. And finally, the Chamber are asked their opinion on the following three specific questions :—

- (a) Should the management of the East Indian Railway and the Great Indian Peninsula Railway, on the expiry of the present contracts, be taken over by the State or entrusted to a Company domiciled in India?
- (b) If the latter alternative is preferred, what scheme of management is suggested?

- (c) In the event of State management being favoured, would it be possible to associate a Board of Directors with the Agent and, if so, should the Board be composed mainly or entirely of business men ?

Important issues are involved in the consideration of these questions, and the Chamber would say at once that in their discussions on the subject they have primarily devoted themselves to examining the issues with particular reference to the bearing of these on the case of the East Indian Railway, that is, the Railway with which they are specially concerned, and while it is no doubt the case that many of the considerations governing their conclusions would have similar application to the Great Indian Peninsula Railway, it does not follow that they necessarily should. The Chamber desire to preface their comments with that proviso. They believe that the conditions on the two lines are more or less similar so far as the main principles underlying the issues are concerned. But, to come to the point, if it should be found that the local opinion principally concerned should favour a different policy in the case of the Great Indian Peninsula Railway to that which the Chamber desire to see applied to the East Indian Railway, they would not be disposed to quarrel with, although they might doubt the wisdom of an arrangement being adopted in the case of the Great Indian Peninsula Railway which in the case of the East Indian Railway the Chamber do not think would be expedient.

Turning now to the questions which have been put in your letter, the first to be answered must obviously be that of State versus Company management. It is of course known to the Government of India that this Chamber have always been opposed to a policy of general State management ; in saying now that they are still unhesitatingly of the same opinion, and that they desire most strongly to see the East Indian Railway continue under Company management. They would explain that they have not dismissed the question without careful thought. They adhere to their former view not on the ground that it is their former view but because further consideration has thoroughly convinced them of its merits. If circumstances and conditions had appeared to them to warrant a revision of their former attitude, and if they could have persuaded themselves that State management would be preferable to Company management, they would have been prepared to advocate its adoption generally, and for the East Indian Railway in particular. This they cannot in any way do.

The Chamber have, on several occasions during recent years, had opportunities of expressing their views on the relative advantages of State and Company management. In 1916 they dealt at some length with the subject in a letter ; and, in a memorandum which was submitted to the Acworth Committee in January 1921, it was emphatically reiterated that the Chamber were antagonistic to the system of State management. It may be

thought that it is unnecessary therefore to repeat the various arguments bearing on the question; but the Chamber think it desirable to review the position afresh as the matter has now become of such immediate importance in view of the impending termination of the East Indian Railway contract, and also because of the marked division of opinion among the members of the Acworth Committee. It is well to remember, in considering the views of the Chamber on this question, that they have the great advantage of experience of the working both of State managed and of Company managed lines, and in 1916 they stated that the experience of members led them to the conclusion that the public were better served by the Company managed lines than by the State lines.

#### ARGUMENTS AGAINST STATE MANAGEMENT

The arguments against State management are indeed well brought out by the five members of the Acworth Committee who favour Company management. "An important and weighty section of opinion, including that of the Railway Board, is," they point out, "opposed to the view that State management is the best, holding that, as railways are primarily commercial undertakings, they should be managed on a commercial basis, so as to secure economy and efficiency, that is to say, by a Company with a Board of Directors." And the following are stated as being held by the same body of opinion to be some of the defects of State management:—(a) constant transfers of senior officials; (b) the tendency to promote by seniority; (c) disregard of public opinion; and (d) lack of initiative and flexibility. It may be said that too much weight is sometimes given to these considerations, but the Chamber believe them to be of the greatest importance. And there is a further point brought forward later in the report which can conveniently be referred to here, namely, the danger of making Government the sole employer of a vast labour force. Writing on this subject in 1916, in the letter referred to in paragraph 5 above, the Chamber said:—

"The railways have been greatly extended since that time (1894). The number of railway employees has been in consequence enormously increased, and if the lines were again to be worked directly by the State it follows that this vast army of railwaymen would become Government officials. The extension of State management would mean, that is to say, that there would be an enormous and, as the Committee think, most undesirable and unnecessary enlargement of the existing bureaucracy. It is impossible to believe that the public would benefit thereby. For it is common knowledge that even on the Company-managed lines, it is a matter of serious difficulty to make the subordinate staff understand that they are really the servants of the public, and that it is their duty to assist the customers of the railways to the greatest extent possible. This difficulty must inevitably be largely enhanced when



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every employee is an official and feels himself to be such. The experience of the existing State lines supports this view clearly and unmistakably."

### INCREASING THE STRIKE DANGER.

The Chamber unreservedly endorse this expression. In conjunction with it a point made by the five members of the Acworth Committee who favoured Company management may be noted, namely, the fact that so far strikes which have taken place on Indian railways have been sectional only, and that the position would be very different if the entire staff belonged to a State service. A case in point is the recent strike on the East Indian Railway. During the whole of the strike the affected and although commercial and industrial interests suffered severely, and the public generally were subjected to great inconvenience, the position was not so grave as it would have been, had the Bengal Nagpur Railway employees also been on strike and all access to the coal-fields of Bengal and Bihar & Orissa cut off. Can it be said with any assurance that, if these two great railways had been under one common management—that of the State—it would have been possible to confine the strike to the one line? On the contrary, experience in countries where the whole railway system is State managed goes to show that in such circumstances strikes are not sectional, but affect the whole country. It is true that the great railway strike at home in 1919 affected the whole of Great Britain, but it must be remembered that at that time the railways were under Government control, and that the negotiations in connection with the settlement of the strike were carried on by the railwaymen's representatives direct with the Prime Minister and the Cabinet; while allowance must also be made for the enormous power and influence wielded by the great railway trade unions. A universal railway strike of the kind is a sufficiently serious matter in a western country, with its networks of roads and other alternative means of communication; but in a country like India the economic paralysis that would follow a universal strike might mean starvation and ruin for millions of people. And it cannot be denied that a complete State managed railway system would render such a possibility much more likely than under present conditions.

### CAUSES FINANCIAL LOSS.

Reference is made, in the preceding paragraph, to the experience of countries where State management exists. In paragraph 268 of the Acworth Report there is a brief allusion to the conditions in such countries. The Chamber regard this paragraph as so important that they need not apologise for quoting it in full:—

"The Swiss Federal railways in seven years (1914-20) have shown a loss of 200 million francs, say 8 to 10 million sterling. Before the war they were earning a small profit. Passenger fares have been

increased by 40 to 60 per cent. Prior to 1914 and subsequent to the date of nationalisation there was a steady and often large increase in the cost of the staff and in the operating ratio. The Northern Railway of Austria, before it was taken over by the Government in 1906, paid a dividend averaging for the previous five years 12 per cent; the Government succeeded in turning that profit into a loss. In Italy for a period of eight years from 1905, when Government took over the working of the railways, there has been a steady yearly increase in the operating costs and the return on the capital has declined. The South African railways show a loss of 2,000,000 on the last two years' working. The American railways are in such a bad way consequent on the period of Government control, that President Harding in a recent address to Congress, after referring to the "heedlessness" of cost of Government operation," emphatically asserted that there would be a foundation for rebuilding after the past disaster, if it was clearly understood that there would be no State ownership, and that the people would not be taxed to cover railway deficits. This shows the trend of opinion in a democratic country."

The reference to Italy in this paragraph deals with the position only up to 1913, and the Chamber would draw attention to the following extract, from a recent issue of the *Economist*, showing the continued steady deterioration consequent on State management in that country. :—

"The number of men employed on the State railways went up from 147,289 in 1913-14 to 206,600 in 1920-21, and the average annual cost from 2,065 lire to 9,700 lire. And this greatly increased number of men gives a less efficient service, as appears from the vastly increased cost of damages paid to shippers for delay, waste, thefts, etc. From 3.9 millions lire in 1913-14 (1.13 per cent on a total of goods carried of 347.4 millions lire) the damages paid rose in 1920-21 to 97.8 millions lire (3.64 per cent on a total of goods carried of 2.6856 millions lire."

#### A STRIKING INDICTMENT

The examples of other countries show equally startling results. Probably no more striking indictment of State management has ever been written than that prepared by Mr. E. A. Pratt, the well-known railway economist, in discussing an exhaustive study of the State Railways of Belgium, a system often pointed to by those who favour nationalisation. Almost the primary evils he emphasises are that of excessive centralisation, the higher cost of staff, and the absence of the elements of competition and initiative. He tells how amendments to the railway budget of 1905 would have augmented the payments for salaries and wages by 40 per cent, and of how the Belgian Chamber discussed the railway budget for five weeks. Again, with regard to Denmark, he gives a striking illustration of what may happen when the administration of railways, as carried on by the State, is swayed by political considera-

tions for, owing to the energetic protests of the agricultural community (who were aggrieved on finding that the State Railways yielded a profit), rates were reduced until it was found that the railways no longer paid expenses. In Germany one of the chief conditions laid down by the German industrial magnates for advancing securities to the German Government is that, as far as possible, State managed enterprises (including the German State Railways) should revert to private management. But most striking of all, perhaps, is the case of France, where a Commission have recently been enquiring into the future management of the railways. The Chamber understand that this Commission have reported in favour of handing over the Western or State Railway system to a Company, this proposal being preferred to an alternative proposal that the system should be put under a Board of Management with no direct financial interest in the working results. Under the arrangement suggested, a certain proportion of the share capital in the new Companies will be reserved for certain public bodies, Chambers of Commerce, Agricultural Societies, Communes etc, the remaining shares being held by the public; the arrangement is, indeed, very analogous to the Indian system of State-owned lines managed by Companies. The decision of the Commission was determined by the conviction that the only means of reducing the deficit was by handing over the management to a company interested in the financial position. Referring to the report of the Commission the RAILWAY GAZETTE has the following comment in a recent issue:—

"Parliament has sooner or later—and the sooner the better—to legislate the State railways out of existence, after 44 years of State control and exploitation. There is every indication that it will share the view of the Council Superior and no indication that the Ministry will oppose them except in detail. As already reported in this correspondence, the extra-Parliamentary Commission charged with the study of the question decided in favour of a change last December, and among the public, especially the public which has occasion to travel by the State lines, there is no voice in support of a continuation of the present conditions. Successive heavy deficits have made the railway a burden upon the State finances, and the State finances are not in a position to continue to bear that burden."

#### NEED OF OUTSIDE CAPITAL.

The Chamber have been much impressed with the views stated by the five members of the Acworth Committee who favor Company management, as contained in section 3 of Chapter VII of the report. These members draw pointed attention to the fact that the central Government will be unable for at least the next decade, and probably for much longer, to finance the railway systems to the extent which the development of the country demands, and this fact in itself emphasises the necessity of taking advantage of outside

capital. They are confident that the scheme which they suggest will achieve their object in finding a new market in India.

By the Government guarantee of a fair rate of interest, such trust money as requires investment will be attracted ; and there is great probability, nay, almost a certainty, that a large amount of money from insurance companies, which have of late been rapidly growing in India, will become available. It will have the further advantage of tapping a new field of investors in India itself, to whom a guarantee, with additions based on a share of the profits, will naturally appeal ; for there are many grades of possible investors in India ranging between the public trustee and the speculator.

#### MORE EMPLOYMENT FOR INDIANS

The five members referred to hold also that the employment of Indians will be better promoted under this scheme than on State managed railways, and that the proposal will afford educated Indians the best possible opportunities and facilities for learning how to control large undertakings. And they point out that this is one of the most important of the grounds which lead Indian opinion at present to desire State management. The five members who favour State management attach great importance to the fact that Indian public opinion is against Company management, and they write as follows : -

"As a matter of practical politics it must always be remembered that a railway undertaking is a large and widespread concern ; it employs a staff numbering very many thousands ; and this staff, some of whom will certainly be stupid, careless, and possibly even corrupt, comes in contact every year with millions of customers, whether as traders or as passengers. "Give a dog a bad name and hang him " is a very true proverb in this connection. We do not think in this fallible world Company management can be so good as to escape fierce, often unfair, criticism from Indian opinion. Even if we were to assume that State management would not be better we are quite sure that its failures would be judged more leniently by the Indian public."

This is an argument which the Chamber cannot possibly accept as meriting recognition. Indeed they cannot understand its inclusion in a serious discussion of a difficult subject. It would, in their judgment, be lamentable if such a consideration as is suggested were given a moment's thought. Incompetence is incompetence, failure is failure, whether on a State managed railway or on a Company managed line ; and they must be judged by the standard in both cases. But apart from this, the Chamber are very doubtful whether in practice it would be found that public opinion was disposed to be any more lenient in the case of bad State management than in the case of bad Company management. The public desire to be adequately served, and if they are not adequately served they will complain in the one case just as in the other. It is

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the experience of this Chamber, for example that when there is a scarcity of wagon on the Eastern Bengal Railway the complaints received, whether from Indian or from Europeans, are in no way less emphatic because the railway is a State managed line.

The Chamber do not wish unduly to prolong this section of their letter. But they consider it necessary to refer to an argument which is frequently advanced against the existing system in India namely, that it is anomalous that the State, by far the largest shareholder should hand over the management of railway line to a Company which had only a small stake in it. The argument is repeated by the five members of the Acworth Committee who advocated State management, and it is at first sight perhaps rather impressive. But it will not bear examination. The principle is precisely the same as is so often found in ordinary commercial undertakings, where the actual manager has only a comparatively small share in the capital of the concern, say two annas, although he has a much freer hand, and a far greater control over the policy and administration of the concern than the Company managing a State-owned railway in India is allowed to have. "We know," the five members say, "of no Company in which 80 per cent. of the shareholders depute their rights to the remaining 20 per cent." But it is surely erroneous to speak of "deputing of rights" suggesting, as the phrase does, that the State hands over complete control to the Company. So far is this from being the case that at several points in their report the Acworth Committee call attention to "the constant interference of the Government in the details of railway executive management."

### A SEPARATE BUDGET.

There is no further point to be commented on before the Chamber leave this branch of the question. Sir William Acworth and four of his Committee who agree with him emphasise that their recommendation as to State management must be read "as coupled with, and conditioned on, the adoption—at least substantially, and in main outline—of the recommendations which we have made with respect to financial and administrative reforms." What then are the recommendations which the Committee make? For their present purpose the Chamber need refer only to the financial question. Briefly, the proposal is that the railways should have a separate budget of their own and assume the responsibilities for earning and expending their own income. On the other hand, the Railway Finance Committee, in their report dated 16th December last, state that under existing conditions it is impossible to separate railway finance from general finance. The Legislative Assembly have of course recommended to the Governor-General in Council that the proposals of the Railway Finance Committee in regard to capital expenditure should be accepted, but that the consideration of separating railway from general finance should be postponed till the summer session. The Chamber would press very strongly that

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due consideration should be given to the position which thus arises. If the proposal to separate the railway budget from the general budget of the country is acted on, the question will still be one for decision as between the two views, represented each by five members of the Acworth Committee, that is to say, State management or Company management on a modified basis. The advocates of Company management do not make their proposals conditional on the unanimous recommendation of the Committee regarding finance. The advocates of State management do. What view they would have taken on the basis of non-separation of railway finance from the general finances cannot be predicted, but the very direct qualification which they make regarding their recommendations in favour of State management is really such as may, in the circumstances, deprive these of their whole sanction.

The Chamber will leave the subject of State management there, and they will now proceed to the question dealt with in paragraph 5 of your letter, namely whether it might be possible to obviate to some extent the dangers of State management by adopting the expedient of associating with the Agent of a State railway a Board of Management more or less on the lines of a Port Trust. The Chamber have discussed the question and they have had no difficulty in coming to the conclusion that the suggestion would not be practicable, in view of the vital difference between the position of a Port Trust and that of a Railway. There is, in point of fact, no real analogy between the two. The Commissioners of a port, for instance, are responsible for finance; they have to raise such capital as is required and to see that the fees collected for the services the Trust renders balance the expenditure. But their main interest is to ensure for themselves and their constituents the efficient running of the port. They are not concerned to make a profit; but a railway, whether viewed from the standpoint of the State, or from that of shareholders, endeavours to make a profit, and in point of fact the railway profits in India constitute an important part of the revenues of the State. On the other hand, the members of the Board associated, on the lines suggested, with the Agent of a railway would have no responsibility for raising capital and no real interest in the financial results.

In the case of a Port Trust, again, the management is in the hands of Commissioners drawn from one locality; and if they allow the port to be mismanaged, the first interests to suffer will be their own private business interests. But the case of a railway is different. If all the Directors or Commissioners are drawn from one locality (and this seems essential if the Board is to meet with such frequency and regularity as to enable it to be effective) their own private interests will be met provided the needs of the locality are efficiently and cheaply served by the railway. Unless therefore—and this is an important point—they are interested in the financial results of the railway as a whole, their policy is likely to be one that

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will undoubtedly favour the interests of their own locality, and there will be little inducement for them to interest themselves in questions of management or development relating to localities other than their own. There can be little doubt that a Board of the kind suggested would in practice be of little value. Lacking the safeguard of the close personal interest which the members of a Port Trust have in the administration of the port, lacking also the financial interest which the directors of a Company have, the members of the Board would be little more than figure-heads. To begin with, it is true, they might be active enough. But their limited financial powers, and the restrictions to which they would be subject in other directions, would soon have the effect of depriving them of any initiative, and before long they would cease to be of any practical value; they would, indeed, be much more likely to hamper than to assist the work of the Agent. The Commission have recently examined the case of the French railways, and it may be noted here again that this Commission have rejected a scheme very similar to that of associating a body like a Port Trust with the management of a railway, on the ground that it is useless to have directors who are not financially interested in the results of the working of the railway. In short the Chamber find nothing attractive in the proposal, and while they would be prepared to consider any possible method of adapting the machinery and procedure of a Port Trust to the case of a railway, they cannot conceive of any adaptation that would be anything more than a makeshift and cumbrous compromise that would please nobody.

### SCHEMES OF MANAGEMENT

The Chamber have endeavoured to answer the first and the third of the three specific questions put to them in your letter under reply, at least in so far as these questions directly affect them, and they now come to the consideration of the two alternative schemes of management which are suggested. Scheme No. I is based on the suggestions contained in paragraphs 272-274 of the Acworth Committee's Report, and practically speaking it provides the machinery of an ordinary limited liability company, with Government as the largest shareholder. Scheme No. II is, as you point out, an attempt to show how Company management can be continued in India more or less on the same lines as at present, but with companies domiciled in this country. Both schemes have been drawn up with particular reference to the case of the East Indian Railway, and it is with regard to their application to this line that the Chamber have considered them.

Of the two schemes it may be said at once that the Chamber prefer the first. It is simpler, and has the advantage over the second scheme that it will be more easily understood by investors. The division of profits, and therefore the return on the share capital contributed by the public, are ascertainable more readily, and the suggestion that

the Government guarantee should bear a relation to the current loan issue rate is likely to be popular. A Government guarantee would of course be necessary in any case in order to make the shares a trustee security, but it is a question whether a fluctuating guarantee would affect the position of the shares, inasmuch as there would inevitably be a considerable number of issues each with a different guarantee based on the Government's borrowing rates at the time of issue. The members of the Acworth Committee who favour State management lay great stress on the prejudice in the London market against Indian railway sterling securities because of the large number of different denominations and groups. It seems to the Chamber, however, that a fluctuating guarantee should occasion no serious difficulty on this account, as they understand that the existing difficulties in London are due rather to the number of small issues than to the varying returns. There would, in fact, be no more difficulty than in the case of ordinary Government securities floated at different times at current market rates. Further, it is of course hoped that, with Indian domiciled companies, railway securities will in future prove a more attractive investment to investors in this country than they have done in the past under the system of London controlled companies.

The Chamber need not for the present offer any detailed comments on the figures suggested for the authorised capital of the proposed Company, or on the basis on which the figures are arrived at, as these must be matters for further detailed consideration after the principle has been accepted. For the word "specified" in clause 2 of Section II they would prefer to substitute the word "approved", so that the clause would read:— 'Company to raise additional capital as required and as market conditions render advisable up to an amount to be approved by Government.'

The Chamber are inclined to agree with the view suggested in clause 3 regarding the question whether Government might reasonably demand any consideration for their guarantee of interest at one per cent under the issue rate of their last loan. Government, as the largest shareholders, benefit by the better terms on which the Company can raise money, and the Chamber see no reason why they should ask for one-fourth of the extra outside shareholders' profits after say 8 per cent has been paid.

In clause 4 it is proposed that Government should have the right to put up additional capital at any time at par, and that shares offered to the public later might be issued at a premium if results and the market conditions render this possible. The Chamber do not think such an arrangement is one which could be accepted. They regard it as undesirable and, from the point of view of the investing public, unattractive. If there were at any time a considerable Government surplus, Government would have the right, under such a provision, to put the surplus into the railway at any time at par whether the money might be wanted or not.



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It is further suggested, in the clause referred to, that the Company might, before taking over the management, put up one-twentieth of the capitalised value, that they might in each subsequent year find half of the additional capital until they have raised one-third of the total capital, and that thereafter they should be held responsible for finding one-third of the capital yearly. The opinion is, however, expressed that this proposal is too rigid, both as to proportion and period, and with this opinion the Chamber agree. To meet the objection, the scheme proposes:—(a) that a fixed proportion is not desirable because when Government are in funds they may wish to increase their holding, and when faced with a deficit they may prefer to let the Company finance itself entirely for a few years; (b) that the Company also need not be committed to yearly issues, as favourable market conditions may make it expedient to issue shares to cover capital expenditure requirements for two or even three years. The Chamber consider, with reference to these suggestions, that in the matter of the issue of fresh capital Government should have the same rights as the public, and be allowed to share in new issues only PRO RATA. That is to say, it would not be open to Government to demand the right of putting in new capital at par however this might be deemed favourable from their point of view. And the Chamber agree with the principle suggested under (b) which would, indeed, put the Company in the same position as any other Company desirous of taking advantage of a favourable market.

In clause 5 it is proposed, with regard to termination, that Government should have the right to acquire the outside shares at periods of ten years on twelve months' notice at par or at an agreed valuation, whichever be the greater. The Chamber consider it desirable that the period should be longer than ten years, and they would suggest that twenty-five years should be substituted as the first period. This will be more attractive to the investor as being more suggestive of permanency. The Chamber have discussed also whether twelve months' notice would be sufficient, or if it is not desirable that this period should be extended; for when it is uncertain whether Government are likely to take over the outside shares the interests of the railway may suffer from the point of view of the expenditure which the Company is prepared to incur. On the whole however the conclusion has been come to that twelve months' notice may be accepted as proposed.

The method suggested in this clause for working out the valuation is that the average earnings of the three years immediately preceding termination should be capitalised at  $\frac{1}{4}$  per cent over the Government of India loan rate for the year of termination. This method appears to the Chamber to be equitable as it will give the shareholder the reasonable opportunity to which he is entitled of arranging his investment so that he may have a similar return on his money.

The suggestion of the five members of the Acworth Committee was that there should be ten directors, the Board—I, E., of course, in the case of the East Indian Railway—being located in Calcutta; that five of these should be nominated by Government and five by the shareholders, including a Government chairman with a casting vote. It is now suggested as an alternative that there might be five company directors and six Government directors, with a chairman appointed from among the five Company directors. It seems to the Chamber that the number of the Board should not exceed ten, and that, as suggested by the five members of the Acworth Committee, five of these should be Company nominated, and five nominated by Government. It should be understood that the idea of these members was that the chairman should be appointed by Government, but not necessarily from among the Government nominated directors: that is to say, that it should be open to Government to nominate any one of the ten. The Chamber consider, however, that it would be preferable to leave the election of the chairman to the directors themselves, subject to the approval of Government as the largest shareholder, with power to Government to elect in the event of a deadlock.

The Chamber have no special comments to offer regarding clauses 7 and 8 dealing with Government control and debentures.

As the Chamber have said, it seems to them that scheme No. I is likely to be more easily understood than scheme No. II. It is however desirable that they should examine the details given of the lines upon which a Company might be established in accordance with the latter.

It is proposed that the capital of the Company should be rupee capital "raised in India." The Chamber understand the words they have quoted to mean that the capital will, wherever possible, be raised in India, and with this intention they have every sympathy. But they would deprecate any idea of closing the door to capital from outside India should it happen that the required amount cannot be raised in this country. It has recently been found necessary to take advantage of assistance from abroad not only in the case of Indian Government loans, but also in certain large Indian industrial enterprises. It should however be fully understood that the Indian investor must have every opportunity of investing in loans raised, when the need arises, outside India.

With regard to the Board, the Chamber have had difficulty over the proposal for a "Managing Director" to be appointed by the Company subject to the approval of Government. The idea is that this "Managing Director" would be the officer who is now known as the Agent, that is to say, the head of the administrative and executive staff but, following the home precedent, the Committee would prefer the title to be "General Manager." It is open to question whether the officer occupying this position should be the Managing Director, or indeed, should be on

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the Board at all. It is true that this arrangement would follow the analogy of the Calcutta Port Trust, where the head of the executive is Chairman of the Commissioners. But in the case of a railway such an arrangement would be novel, and on the whole the Chamber are inclined to think the home practice should be followed, and a Board appointed consisting of a Chairman and directors with a General Manager not on the Board.

The Chamber accept, without question, the suggestion that at least half of the total directorate, whether nominated or not, should be Indian.

The Chamber agree with the proposal, under clause (1) of the general terms of lease, that the line and its equipment, the property of Government, should be handed over to the Company to work for a specified term of years. They have discussed very carefully the proposal under clause (2), which it is as well to reproduce :—

The Company's capital to be treated as a loan to Government on a definite guarantee of interest and carrying in addition a right to a share proportionate to subscribed capital in the annual profits, subject to the condition that if in any year the total amount so payable to the Company including the guarantee exceeds 8 per cent, on their capital the excess shall be divided in proportion of 75 per cent. to Government and 25 per cent. to the Company.

The term annual profits is then defined. The Chamber notice that this covers four items only, and makes no mention of tax deduction. To avoid any misunderstanding by the public such as has recently been experienced in regard to branch line companies, the Chamber recommend that definite provision should be made to effect that the guarantee is a net guarantee, free of all taxation. In considering the proposal under this clause it is necessary to read along with it the appropriate proposals in part II of the scheme regarding the application of the conditions to the East Indian Railway, Section V, clauses (1), (2), (3) and (4). At first sight the suggestion that, if in any year the total amount payable to the Company exceeds 8 per cent on their capital, the excess shall be divided, in the proportion of 75 per cent to Government and 25 per cent to the Company, seems perhaps unduly favourable to the Government, but on the whole the Chamber are not disposed to take exception to this proposal. The figure suggested for the basis of the Government capital is 90 crores, which represents say the total capital outlay incurred by Government on account of the East Indian Railway to date. It might be argued that Government would be entitled to base their capital on a higher figure on account of goodwill, but the Chamber think it preferable that instead of doing so, they should take a higher proportion of the profits above 8 per cent. On the other hand the Chamber think it may be necessary to raise the Government guarantee on the Company's capital to more than 1 per cent, for it is doubtful whether, under present

conditions, a guarantee of that amount will be sufficient to attract money in India.

The Chamber have no comments to offer on clause (3), regarding the provision for termination of the lease on account of mismanagement by the Company.

Section III contains the general financial proposals, and it is suggested that Government should undertake to provide the capital which is in their opinion necessary from time to time for the equipment and improvement of the undertaking relating the right to call on the Company to increase their contribution at any time to the extent of the authorised capital or to preserve the proportion which existed when the contract was entered into. This proposal is, the Chamber consider open to objection with regard to clause 4 of scheme No. 1. In this case it would be open to Government to put up more capital at a favourable time and then, at a time when money is tight, to call on the Company to provide their PRO RATA share. It is true that this provision follows the existing principle, which in practice is not actually applied; but it is not desirable to perpetuate an arrangement which admittedly is not used, and which is in theory certainly open to objection. The clause should therefore be qualified by some proviso to meet this point. The Chamber however cannot leave this Section without pointing out that the past history of Indian railways shows that this system of finance has been the cause of failure in the proper development of railways in India, VIDE paras 32-38 of the Acworth Report.

#### HALF THE BOARD TO BE INDIANS.

The Chamber have no further remarks to offer with regard to Part I of the scheme.

With regard to Part II, the Chamber have already commented on the points in Section V which call for remark, and the only other Section to which they need refer is No. III, relating to the new Company. In view of that the clause regarding the Board should provide for ten directors who would, as in the corresponding clause of scheme No. I, elect one of their own number as Chairman, Government making the appointment in the event of a deadlock. The proposal that five of the total Board should be nominated by Government is reasonable, as is also the provision that at least half of the Board should be Indians, of whom the Company should be required to elect—not "nominate" as is suggested—not less than two. And following on the comments, the words "General Manager" would be substituted for "Managing Director" in clause (c).

To sum up, the Chamber's answers to the three specific questions put in your letter are.—

(a) So far at any rate as the East Indian Railway is concerned, the Chamber are of opinion that, on the expiry of the present contract, the management should be entrusted to a Company

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domiciled in India with a directorate not less than half of which should be Indian.

(b) The Chamber consider that scheme No. I forwarded with your letter provides the basis for a workable and satisfactory arrangement.

(c) In the event of State management being favoured, the Chamber are of opinion that any scheme of associating a Board of Directors with the Agent, on the lines of Port Trust management should not be contemplated.

## SECOND SESSION OF THE All-India Railwaymen's Conference

*BOMBAY. 24TH NOVEMBER 1922*

The second Session of the All-India Railwaymen's Conference was held at the Workingmen's Institute, Parel, Bombay, Mr. C. F. Andrews presiding.

### CHAIRMAN'S SPEECH.

After having offered the most cordial welcome to the Delegates Mr. Baptista, Chairman of the Reception Committee, proceeded to say :—

Now, Comrades, permit me to congratulate you upon your good fortune in capturing the Rev. Mr. Andrews for your President. In him you will find an excellent friend, philosopher and guide, and yet, when a friend of mine heard that Mr. Andrews was going to preside, he came to me in some trepidation and said: "Well, is your Conference going to be a real Railway Conference, or is it going to be a Divine Service with Father Andrews officiating? And is he going to preach the Gospel according to St. Mark or according to Karl Marx." Well, Comrades, I do not know but I am confident, whether it be St. Mark or Karl Marx, negatively no free-lance can ever accuse him of fomenting strifes, and positively his presidentship will enhance the dignity of our Conference and give weight to our decisions, for he will bring experience and wisdom to bear upon our discussions. You know that wise men come from the East, but he comes from the West by way of exception. He is an Englishman who has thoroughly identified himself with Indians. In him East and West have not only met but actually fused. He is one of those who believe that the future of the world depends not on the ideals of the East exclusively, but upon the distilled ideals of the East and West combined. He practises what he preaches. For this reason he has become the most enthusiastic collaborator of our great poet and patriot, Dr. Rabindranath Tagore, in laying the foundations of a great University where all that is wise and virtuous in the East and West will gravitate, and then radiate throughout India, if not throughout the world.

### The President's Speech

Mr. Andrews then took the presidential chair and said :—

My words to-day will be as concise as possible, for in railway matters the issues are simple and straightforward and the main general considerations are few in number, but of great importance.

The first issue is clearly that of equal pay for equal work, and the elimination of all class and race distinctions in railway matters.

I have belonged to the Labour Movement for over thirty years of my life and have worked with labour leaders in England and Scotland, in South Africa, in Australia and New Zealand, as well as in India itself, and even in South Africa where racial discrimination is at its very worst, I never met a recognised labour leader, who did not, in theory at least, accept fully this vital principle of equal pay for equal work. This is now a fundamental principle of the labour movement all the world over. It is quite true that when brought up against hard concrete facts the labour leaders whom I met in South Africa on the Indian question shrank from applying it; they asked for time; they prevaricated; but, all the same, it was a supremely important thing that they all recognised the ideal and confessed that racialism was wrong.

The late Duke of Argyll has said :—" There is no method of reform so powerful as this :—If alongside any false or corrupt belief, or any vicious and cruel system, we place one INCOMPATIBLE IDEAL,—then without any noise of controversy or clash of battle, those beliefs and customs will wane and die."

What I believe is happening, in the great world of labour to-day, is this. Labour is now reaching rapidly the international and humanitarian basis. It is becoming more and more based upon the ultimate principle of the brotherhood of man. There can be no other basis. Before this ultimate principle of equality all racialisms and nationalisms must vanish. Merit and merit alone must decide a man's worth, not colour or caste or creed.

In the Indian railway system to-day racialism is rampant. There is no need for me to point out, by a recitation of glaring examples, the utterly absurd distinctions between man and man, the pay and extra privileges which sometimes amount to five times the amount given to one man in contradiction to another, simply because of some supposed racial distinction. I am quite prepared to argue with the person who argues that a thoroughly bad system cannot be altered all at once without dislocation. But I am not prepared to argue with the person who states that this racialism must remain. There is only one thing for it. Racialism must be done away with as rapidly as possible, and the pace must be determined at each stage by what is feasible and practical in the eyes of fair-minded men on both sides. Those who have special privileges to-day may well ask for time for readjustment, but they cannot possibly ask that the present racial inequalities should continue indefinitely.

There is one position, which has been quite frankly stated to me again and again with regard to the Northern railways by high railway officials. I may call it briefly the strategical argument. They state that the great railway lines to the North must be held by a proportion of British and Anglo-Indian employees because Indians cannot be trusted. I am giving their own exact words. It

is needless for me to say how strongly I repudiate that argument. It is contrary to the whole spirit of the policy which, since August, 1917, has been declared to the whole civilised world as the policy of the British in India. Either therefore this declaration of August, 1917, should never have been made, or this argument should never now be used. To-day at any rate such an argument is an anachronism, and its use in the future is certain to create bad blood.

### ECONOMIC RETRENCHMENT.

I come to the second great issue, that of economic retrenchment. We all know that at the present time in every country in the world the strictest economy must be exercised if national bankruptcy is not to take place. India is no exception. We cannot go any longer with 41 crores deficit year after year. There must be economy practised on the railway wherever there is wasteful expenditure. I would suggest to the *Retrenchment Committee* that they should look carefully into the extravagance of the present system of continually recruiting men from abroad for the higher posts in the railways and refusing adequately to train capable and able men on the spot. We have unfortunately come into a vicious circle. There are literally thousands of educated Indians to-day who are sincerely willing to undergo any further training necessary and to submit to any exacting tests with regard to efficiency, if the higher posts in the railways are thrown completely open to them, not in word only, but in deed. These men are ready to do the work on a mere economic scale. But there are two things that at present stand in their way. The former is, that they are quite uncertain whether, even after the most careful training and equipment for service, they will not be superseded by a junior man brought out from abroad who has not got their qualifications. Secondly, they are not ready to do the work on a more economical scale of pay while others are drawing a higher pay for the same kind of work simply because they belong to a different race.

But I would be the last to urge ungenerous treatment towards those who have come in under the old bad system. I quite understand that if too rapid and sudden changes are made there will be very great individual hardships and injustices. But it must be quite clearly recognised, that the vicious system of the past must go, and that in the near future Indian Railways must be Indian managed and Indian run, and the economic scale of pay must be suited to a country which is as poor as India is to-day. The whole system from top to bottom must be suited to the economies of India, and not to that of any other country.

This brings me to my third point, about which I feel personally more strongly than about any other: what I may call the humanitarian issue. There has been in the past a disgraceful neglect of the comforts and even of the decencies of the poor in India who travel



on the railways in order to provide for the luxuries of the rich. No economic system of railway administration in a poor country, such as India is, ought to allow such huge profits to be made out of the third class poor passenger traffic and then to give them in return such disgraceful accommodation. This policy of unequal treatment of the poor vitiates the whole of our Indian railway policy from top to bottom. Among the railway employees it leads to miserable pittance of 10 rupees and 12 rupees a month to employees on what is called the menial staff (the every word 'menial' is a sign of the whole spirit underlying the system) and huge salaries running into thousands a month for superior officers. I say to-day emphatically from intimate experience of the life of the poor that many of the railway employees on whose faithful work the safety of the public depends are being starved in body and mind owing to the paucity of their pay.

#### QUESTION OF GRATUITY.

I now come to issues that are more technical and less easily understood by the general public. The first of these is the question of gratuity or bonus. I congratulate the Railway Unions and Associations on having won a signal victory in this matter. The vicious clause which made the gratuity forfeited by taking part in any strike, however honorable and legitimate, was fatal to the dignity of Labour. It had to be abolished. It is a matter of great thankfulness that it has now been abolished. But there are irritating exceptions which still remain. The first is the qualifying clause about a strike which has been declared illegal—declared illegal by whom, by the Executive or by the Legislative Assembly? We want that point clearing up. We do not trust an executive decision on that point, which may be only an echo of the Railway Board. Again there is a qualifying clause that men who have left the service since taking part in one of the recent strikes cannot receive the gratuity. Why not? In what way does their case actually and morally differ from that of those who are still in service? If it is once declared that participation in a strike does NOT cause forfeiture of gratuity, then those who have left the service (apart from dismissal for gross misconduct) are clearly entitled to their bonus. Thirdly, it is quite obvious that the widows or next of kin of employees who have died during the interval should get the bonus. It appears to me that these two last propositions cannot be disputed by any reasonable man. I have put them before the Railway Board some months ago and have received an answer that they are to be carefully considered. But I have not yet received an answer that the position I have here taken has been accepted.

The second technical point to be brought forward is that of recognition of railway labour unions by the Railway companies and the offer of facilities by the latter for the conduct of business. Here I am utterly opposed to what I can only call the mendicant policy.

For instance, it seems to me undignified to ask the company, for all practical purposes, to collect from the wages the subscriptions for the Railway Union by deducting them from the pay. This puts the Union in a false position of dependence, and the essential thing in any Railway Labour Union is to be in an independent position. Furthermore, it tends to weaken character. If men are not willing to take the trouble to pay the monthly contribution to their Union themselves, it shows they have no use for it. In that case it would be far better to build up the Union from the foundation with smaller numbers rather than attempt to establish a bigger union on a weak and compromising basis.

The last point that I shall bring forward in this opening address is that of federation. There can be no question at all that the railway employees suffer enormously, at the present time, because they are faced by a Railway Board which represents the unification of the Railway administration of the whole of India, while there is no Board which represents the unification of the interests of Railway Labour. If there were a Railway Board representing the whole railway system of India on the MEN'S side, it would be listened to with the utmost respect by the Railway Board at Simla and Delhi. But there is no such organ; and private individuals have to approach the Railway Board in order to set forward the men's case. This is extremely bad for all parties. It leads to great and unnecessary delays. It means that abuses remain uncorrected. I put therefore this proposition before the present conference that it is a vital matter that some such Railway Board of Railway servants should be formed as soon as possible. May I add that it is impracticable to form such a Railway Labour Board unless the railway unions are willing to sink various differences and come together. I know the difficulties that stand in the way, and I have no wish to blame any Railway Union as such. I have expressed my willingness to go to the North and preside over a Railway Conference there, if time and health permit; and if I am able to go to the North I shall press for unity and the sinking of minor differences there, as I am pressing it here.

I have tried to be as brief as possible in these opening words, and I trust I have made my points quite clear. I am out for unity and federation of labour, for the better treatment of the poor, for the entire abolition of all vested interests and racial discrimination in the future. I wish the whole economic system of the Indian railways to be Indian through and through. This does not mean that there will not be an honourable place in the future for the children of old servants of the railway Companies and others whether European or Anglo-Indian; but they must be willing to accept the new conditions. They must be ready to work on equal terms with Indians who are their equals in character and training and technical equipment; and to demand no privileges for themselves or for their children which they are not ready to demand for Indians themselves.

On the 2nd day of the Conference, Nov. 25th 1922, the following resolutions were passed :—

Rai Saheb Chandrikaprasad moved and Mr. C. T. Wheeler seconded.

I. "That this Conference urges the Govt. of India to amend the Indian Railways Act by inserting provisions for the constitution of Central Wages Board and the National Wages Board for settling disputes concerning wages and conditions of service and for making it obligatory on Railway Companies to establish Councils, on the lines of the Railways Act 1921 (11 & 12 Geo. V) part IV. with modifications suitable to Indian conditions."

Rai Saheb Chandrikaprasad in supporting the resolution said that the position of the subordinate employees on the Indian Railways was very unsatisfactory. In matters of their wages and conditions of service the Government of India had left everything to the discretion of the railway administrations which in turn left the matters to the discretion of the heads of departments; and so on. The general policy of the Indian Railways was to keep the higher officials well pleased and they were in consequence allowed all sorts of privileges and allowances, while the subordinate employees were generally starved out.

Mr. C. Bhukhandas then moved, Mr. V. P. Rele seconded and Mr. C. T. Malgi supported that :—

II. "This Conference expresses its gratitude to the Secretary of State for India and the Governor-General in Council for abrogating the rule rendering a strike a break in continuity of service, but respectfully urges that retrospective effect should be given by extending this relief to all employees whether in service at present or not, and in case of that of any employee the relief should be made available to his next of kin.

(b) That this Conference apprehends that the qualifying provision that the strike be not illegal would nullify the value of the abrogation of the rule, unless it is clearly defined by law what constitutes an illegal strike and urges that such definition be given.

(c) That this Conference calls the attention of the Government to the attitude of the Railway authorities who hold that it is entirely optional for them to give effect to the resolution of the Government regarding the rescission of the old rule and requests the Government to issue instructions to them, intimating them that the relief is obligatory and not optional.

(d) That this Conference urges that the limit of the minimum number of 15 years' service before gratuity becomes payable, be removed and gratuity should be made payable at the rate of one month's pay for every year's service from the very first year.

(e) That this Conference further urges that in case of the death of an employee, the gratuity be given to his heirs, whether dependent on him or otherwise."

Mr. F. Jamshedji proposed and Mr. C. T. Malgi seconded ;—

"That this Conference welcomes Draft Bill No. 27 of 1922 regarding compensation for workmen in case of accidents, but regrets to observe that the compensation clauses are very inadequate, and urges in particular that in case of death, five years' wages should be allowed without any limit as to maximum.

On the motion of Mr. Amarsing Shivram seconded by Mr T. S. Gawad the following resolution was passed unanimously :—

III. "That this Conference reaffirms the resolutions of last year regarding racial discrimination and insists upon its total abolition, not only in theory but also in practice ; meanwhile, it welcomes Colonel Waghorn's answer to an interpellation in the Legislative Council, announcing that the rule fixing the maximum salaries of Indian drivers, shunters and guards at two-thirds the rate for Europeans will be omitted from the revised edition of the Code, but regrets that in practice it is still enforced, and requests Government to direct all Railway Administrations to immediately allow Indian drivers, shunters and guards the same salaries as are allowed to Europeans upon the principle of equal pay for equal work."

Mr. Bhagwandas Narayandas then proposed and Mr. D. B. Shindo seconded :—

VI. "That this Conference enters its emphatic remonstrance against the corrupt practices prevailing in the workshops throughout India, in connection with appointments, promotions and dismissals ; and calls upon the Govt. to appoint a strong, independent and impartial Committee to investigate and report upon the subject. The Committee should consist of an equal number of representatives nominated by Railway Administrations, Railway Union or Federations and the Legislative Assembly."

The following resolution was then moved from the Chair and passed unanimously :—

V "That this Conference respectfully calls attention of the Railway Board to the neglect of the Third-class Passengers' conveniences on the Indian railways and overcrowding that is taking place, and urges that immediate steps be taken to improve and increase accommodation which at present is provided."

The Conference met again on Monday, the 27th Nov. 1922. It reaffirmed some of the resolutions that were passed last year and then passed the following resolutions seriatim :—

VI "This Conference views with dismay and submits its emphatic protest against the reduction of experienced and skilful mechanics in the G. I. P. shops and replacing them by Chinamen on an average of double the rate of pay for the same nature and amount of work. Those men be reinstated or their gratuity be paid to them."

VII "This Conference draws the attention of the Administration to the inhuman treatment meted out to the poor cooler, males and females, who are carried in open Ballast Waggon in the burning heat of the sun or in rain or

gold. Shelter be afforded to these workers, whether employed by Railway or Contractor."

VIII "Resolved that a complete prospectus showing rules, regulations, and privileges allowed by Railways to their old and new employees be notified to every employee in a booklet."

IX "This Conference is of opinion that Agents and Managers of Indian Railways, in making grants from the Fine Funds to individuals or communal institutions, will make adequate grants to Indians and Indian institutions which is not being done at present."

X Resolved that the Railway Board be requested to remove the restriction in the issue of foreign Railway passes to daily pay staff and that the free pass rule be so amended as to include parents and children without restriction as to number; and rules regarding the interchange of free passes be uniform in all Railways in India."

XI "This Conference warmly congratulates Mr. Shapurji D. Suklatwalla for his election as Member of Parliament and thanks the voters of South Battersea for electing him."

XII "This Conference authorizes the President and Secretary to send suitable telegrams to Mr. Suklatwalla and the Mayor of Battersea for the purpose."

XIII "This Conference resolves that the Running staff of all Railways in India should get the same average allowance of 57 per cent allowed to the Running Staffs of the M. & S. M., E. I. and N. W. Railways under Railway Board's Circular Letter dated the 19th September, 1919."

XIV "This Conference records its emphatic protest against the ruling of the Home Department of the Govt. of India, making communications of individual grievances of Railwaymen to Members of the Legislative Assembly and the Council of State a breach of the Government Servants' Conduct Rules."

XV "This Conference trusts that Lord Inchcape's Retrenchment Committee will thoroughly investigate the numerous items of actual expenditure incurred on Indian Railways, both on Capital and Revenue accounts and will order substantial retrenchment actually necessary, taking into consideration the large increase in the number of superior officers and liberal increases to the salaries of higher officials generally allowed during recent years."

XVI "This Conference appoints the following gentlemen as the Standing Committee to carry on all correspondence in connection with the Conference during the interval :—

1. Rev. Mr. O. F. Andrews,—President. 2. Rai Saheb Chandrikaprasad,—Vice-President. 3. Mr. Baptista 4. Mr. Ginwalla. 5. Mr. Bhukandas C. 6 Mr. Motilall A. 7. Mr. S. H. Jhabwalla,—Secretary. 8. M. C. T. Wheeler, with powers to add.

XVII "This Conference urges Government to nominate one delegate on behalf of Railwaymen in India for the International Labour Conference and suggests that Rai Saheb Chandrikaprasad be nominated as a delegate for the ensuing Conference with Mr. Motilall and Mr. C. T. Wheeler as advisers."

XVIII "This Conference strongly urges all the Executives of Railway Unions in India and Burma to send their representatives with full powers to meet and settle the two questions of a Federation of All Railwaymen and the formation of an All India Railwaymen's Board."

XIX "This Conference views with regret the attitude of the Government of India towards the resolution of the Washington Conference, regarding the adoption of an eight hour day, and trusts that the Government will abandon its present attitude and take practical action towards the realization of the eight hour day on the Railways and Railway Workshops as well as in all other industrial concerns."

## THE FOURTH CONFERENCE OF The Depts. of Industries in India

*CALCUTTA—17TH—19TH APRIL 1922*

Important subjects concerning the Industrial Development of India are discussed annually by the conference of the Departments of Industries. The fourth Conference was held at 1 Council House Street, Calcutta, on the 17th, 18th and 19th of April 1922. Officers in charge of the Industries in Central and Provincial Governments as well as the Ministers of Industries attended the conference. The Hon. Mr. Innes, Commerce & Industries Member, Govt. of India, presided. The agenda included the consideration of the following matters proposed by the department specified against each head.

The constitution of an All-India Industrial Service (Central Department of Industries) ; the constitution of an All-India Chemical Service (Central Department of Industries) ; relations between the railways, the public, and the Department of Industries (Department of Industries, Punjab) ; co-ordination of the Provincial Departments of Industries in regard to schemes for pioneer factories (Department of Industries, Bengal) ; British Empire Exhibition (Central Department of Industries) ; the training in India of railway engineers and mechanics (Central Department of Industries) ; State technical scholarships (Central Department of Industries) ; the study of Inter-Provincial markets (Department of Industries, United Provinces) ; Technical Text books (Department of Industries U. P.) ; Exhibition of machinery, (Department of Industries, United Provinces) ; rural engineering (Department of Industries, Bombay) ; technical assistance to industries and industrial research (Department of Industries, Bombay) ; periodical meetings of the engineers of the Department of Industries (Department of Industries, Bombay) ; cheap power for industrial undertakings (Department of Industries, Bombay) ; relation between the Directors of Industries and Director-General of Commercial Intelligence in regard to local trade intelligence (Director-General of Commerce).

In opening the Conference the Hon. Mr. C. A. Innes, the president, said :—

### THE PRESIDENT'S SPEECH.

Before we proceed to discuss the business contained in the list of agenda which has been put before the Conference I should like

to make a few preliminary remarks regarding the reasons why the present time and place have been selected for the meeting, while it will perhaps be of interest to members of the Conference if I review briefly the action which has been taken as a result of the last meeting of Departments of Industries, and the more important matters which have been taken up by the Central Department of Industries during the intervening period.

As you will remember, on the conclusion of the meeting held at Simla in May last year, the general opinion of the Conference was in favour of holding the next meeting at Calcutta in January 1922. For some time after I took charge of the Department of Industries I hoped that it would be possible to adhere to this arrangement; but as time went on it became apparent that at the beginning of the year it would not be possible either for myself or for Mr. Chatterjee to leave Delhi. It had been decided that the sessions of the Legislative Assembly and the Council of State would begin at an earlier date than was the case in the previous year. Mr. Chatterjee did not return from his deputation to the International Labour Conference at Geneva until the beginning of January, and the Departments of which I hold charge were confronted with a heavy programme of work in connection with the forthcoming Legislative sessions. The alternative of suggesting that our meeting should be held in Delhi was considered, but rejected for the reasons that while it would doubtless have been inconvenient to you to leave your provinces at that time, it would have been impossible for us in the Central Department to devote the necessary amount of attention to the subjects which we should have to discuss at this Conference. I therefore suggested that we should meet at the earliest possible opportunity after the conclusion of our various legislative sessions, and I also consulted the members of the Conference with regard to the place at which we should meet. Calcutta was chosen by a large majority and to this extent, therefore, it has been possible to adhere to the arrangements provisionally approved at the last Conference.

#### THE WORK DONE SO FAR

I will try to give the Conference, as briefly as possible, an account of what has been done as the result of its deliberations last May. The first subject discussed was that of the co-ordination of work between provincial Directors of Industries and the Commercial Intelligence Department, Calcutta. The discussion was devoted partly to the subject of trade enquiries, and the Conference agreed to the proposal that the system of direct enquiries by one Director from others and by Directors from other departments should be followed, together with that of instituting enquiries through her Monthly Circular published by the Central Department of Industries. Certain working arrangements with the Director General of Commer-

cial Intelligence were also agreed to, and certain proposals for the future of the Commercial Museum in Calcutta made by the Director General and Commercial Intelligence were considered and approved. The subject of trade enquiries will come up again for discussion during the present Conference at the instance of the D. G. C. I., who will give us an account of developments which have taken place in his Department since last May, and of the working of the existing arrangements as between him and Directors of Industries, together with suggestions for their improvement in the future.

#### BRITISH INDUSTRIES FAIR.

Last year you will remember that the subject of the annual British Industries Fair was discussed at some length both in the full Conference and by a Sub-Committee of Directors of Industries. The recommendations of the sub-committee were placed before all local Governments for their consideration. We have not yet received a detailed account of this year's Fair, but it appears certain from references made to the subject by Mr. Chadwick, the Indian Trade Commissioner, London, that the efforts of the participating provinces have met with great success, and that the arrangements generally were much better than those made in connection with the Fair of 1921. Mr. Chadwick has a special word of praise for the organisation of the exhibits and for the business arrangements made by the Governments of the Punjab and the United Provinces. The suggestion was made at the last Conference that an expert should be appointed to organise the exhibits at the Fair on behalf of all the provinces participating; but as only four provinces, namely the Punjab, the United Provinces, Bombay and Burma, announced their intention of exhibiting, it was decided not to proceed with the question of appointing an officer for the whole of India.

The subject of the hydro-electric survey of India called for no action on the part of the Government of India, and they are not aware of the extent to which progress has been made in the several provinces with the work of a preliminary survey on the lines advocated by Mr. Meares.

#### DIFFICULTIES OF COAL SUPPLY.

As a result of the discussion at the last Conference of the best means of mitigating the difficulties experienced by small industries in the matter of coal supply, it was decided by a sub-committee consisting of the Coal Transportation Officer and the Directors of Industries that a purchasing agent should be appointed for Provincial Departments of Industries to work in touch with the Coal Transportation Officer. Directors of Industries were asked towards the end of the last year to report how far the situation appeared to have improved, and whether any improvements noticed might be ascribed to the arrangement approved at the last Conference. The replies received to this enquiry went to show that, generally



speaking, the situation had improved materially, although in some provinces the improvement was due to causes other than the new arrangements for supply to which I have referred. Since then the whole situation has been upset by the unfortunate occurrence of the railway strike. As this factor dominates all others, it was considered that no useful object could be served by bringing up the subject again for discussion at the present Conference.

It was decided at the last Conference that it would be advantageous if each province published information regarding their technical and industrial institutions, and detailed recommendations were made regarding the lines on which such information should be drawn up. The Government of India are not aware of the extent to which this recommendation has been adopted in the several provinces. They have, however, received from the Government of Bihar and Orissa a useful list of technical and industrial institutions in that province. In accordance with the recommendations made at the last Conference the supply of the Monthly Circular issued by the Central Department of Industries has been confined entirely to officials. The number of copies of the Circular now distributed amounts to 452. In connection with the annual reports of Provincial Departments of Industries, the Conference was of opinion that uniformity in the arrangement of the reports would be desirable, and also that the official year should be adopted, if possible, for the period covered by the reports. No information has reached the Government of India as to whether any action has been taken on this recommendation. A discussion took place on the constitution of Advisory Boards of Directors of Industries, and it was left to the provinces to take such action in this matter as they thought desirable.

The holding of an All-India Handweaving Exhibition at Patna was dealt with by a sub-committee of the last Conference, and we all know that the Exhibition achieved very considerable success, thanks mainly to the efforts of the Department of Industries in Bihar and Orissa. An interesting account of the Exhibition was contributed to the last number of the Journal of Indian Industries and Labour by Mr. Bell.

The subject of State technical scholarships was discussed at some length on the last occasion, and the Government of India understand that Departments of Industries in the provinces have been taking up the matter in earnest. The subject has been included again in the agenda for the present Conference when it is proposed to discuss it from a somewhat different standpoint which has been explained in the prefatory note which is before the members of the Conference.

#### ALL-INDIA INDUSTRIAL & ALL-INDIA CHEMICAL SERVICES.

Among the most important subjects which were discussed at the last Conference was the question of constituting an All-India

Industrial Service and an All-India Chemical Service. It was decided that it would be best to leave these questions for the time in order that they might be reconsidered in the provinces before the Departments of Industries came to a final decision regarding the attitude they would adopt. The question of the institution of both Services has been included again in the agenda for the present Conference, and it is hoped that we shall now be able to receive the final views of Ministers on this important subject.

The last Conference discussed the question of improving India's foreign trade by the appointment of Trade Commissioners. Unfortunately the present financial stringency has placed a temporary obstacle in the way of the development of this scheme. We have, however, made the appointment of a Trade Commissioner in East Africa which was foreshadowed in last year's discussion. Mr. Left has assumed charge of his duties at Mombassa in the beginning of January last, and has already indicated fresh lines along which trade between India and these colonies can usefully be developed.

It was decided at the last Conference to place an officer on special duty in England to collect information regarding the methods by which and the extent to which aid is afforded to industries by the State in various countries. For this enquiry Mr. A. Y. G. Campbell of Madras was selected, and he submitted his report a short time ago through the High Commissioner to the Government of India. We have not yet had time to consider the report in detail or the method by which it will be published, but it will, in any case, shortly be placed before local Governments.

#### INDUSTRIAL BANKS.

The establishment of Industrial banks was discussed at the last Conference with the idea of enabling Ministers to ascertain the views held in other provinces on the subject, so that they might be in a position to formulate their own ideas with regard to this matter. The Government of India are unaware what progress, if any, has been made in the direction of establishing an industrial bank in any province.

A question somewhat allied to the last, namely, whether legislation should be introduced to provide for and regulate the granting of Government loans or other financial aid to small industrialists was also discussed, and it was suggested that the Government of Assam by whom the question was introduced, might make an experiment in the direction of legislation, but information has not reached the Government of India as to whether the suggested experiment has been made.

At the last Conference certain proposals made by the High Commissioner for India in pursuance of his project of maintaining permanent show rooms for Indian arts and crafts at his office in London, were approved by the representatives of the provinces concerned. As the result of the subsequent enquiry made by the

Government of India, the Governments of the Punjab and the United Provinces issued instructions to their officers to supply the material for textile panels, while the former Government have agreed to the provision by the Mayo School of Arts, Lahore, of the electric light fittings, and the Government of the United Provinces have given permission for the exhibits which remained unsold at the British Industries Fair of 1921 to be placed in the High Commissioner's rooms. In addition to the Governments of the Punjab and the United Provinces, those of Burma and Bombay have intimated their desire to participate in the arrangement proposed by the High Commissioner. The Government of India, on their part, have made a free grant to the High Commissioner of certain timber which was held for them by Messrs. Howards in England, and have sanctioned the payment from Central revenues of the cost of making and putting in the wood panelling, furniture and other fittings.

The subject of the recruitment and organisation of staff for Departments of industries was one with which the provinces were concerned more than the Government of India, but the suggestion was made that an officer should be appointed for all India as a visitor who would advise provincial Departments of Industries on general matters relating to organisation. It was pointed out that the recruitment of such an officer would be difficult in the absence of an Industrial Service into which he could be fitted, but a promise was made on behalf of the Central Department of Industries that the matter would be further investigated. The views of Ministers on the subject were subsequently invited demi-officially, but in view of the replies received to this enquiry, as well as the difficulties in the way of devoting Central revenues to the financing of projects which did not fall within the category of Central subjects, to which the Secretary of State and the Auditor-General had called attention, it was not found possible to proceed with the suggestion.

Some discussion took place on the question of establishing a Development Board in each province which would unite the various departments dealing with the development of resources, such as agriculture, industries and co-operation. Action on this subject was left entirely to the provinces to initiate.

Similarly, it was left to the provinces to decide what action they should take on the subject introduced by the Director of Industries in Bombay relating to the payment of fees to members of Departments of Industries for giving technical advice.

Of the other subjects which had been proposed for discussion but which were not taken up by the Conference, I may mention that those relating to the development of by-product industries of the salt industry has been made the subject of a reference by the Government of Bombay to the Government of India, and is now under consideration.

The subject of the direct recruitment of experts by local Governments without the intervention of the Secretary of State

pertains to the allocation to the High Commissioner for India of certain of the functions previously performed by the Government of India. The subject of the relations between local Governments, the public, and railways has been included in the agenda of the present Conference at the instance of the Punjab Department of Industries, while the Department of Industries in Bengal has again brought up the question of co-ordinating the work of the different provinces in the matter of preparing schemes for pioneer factories, the discussion of which it was found necessary to postpone.

Finally, the question of enlarging the constitution of the Conference was postponed indefinitely.

### THE PUBLICATIONS

Apart from the subjects which were discussed at the last Conference members may be interested to learn something of what we have been doing in the Central Department in connection with the more important matters of common interest. In the matter of publications we have continued to bring out our Journal and Monthly Circular, while at the present time 23 Bulletins have been published and three more are in the press. Our list of permanent subscribers to these publications is growing slowly but steadily, and it is hoped that the object for which they were started has, at any rate, to some extent been achieved. In the matter of our large industrial schemes we have, unfortunately, to report a set back. As you were informed at the last Conference, we had then under consideration the establishment of a Tanning Research Institute and Demonstration Boot Factory at Calcutta, with the preliminaries of which considerable progress had been made. It had been hoped that we might be able to make a definite start with the scheme during the financial year which has just closed; but, with the deterioration in the financial position which became more marked as the year went on, we were obliged to drop the scheme for the time, and we have at present no immediate prospect of being able to proceed with it. The same remarks apply to our proposal to start a Central Chemical Research Institute. Although this project is closely connected with that for the institution of an All-India Chemical Service—the fate of which has yet to be decided—the establishment of the Institute did not necessarily stand or fall with the larger scheme, and the Central Department of Industries were prepared to consider their own part of the project separately. But here, again the financial situation put a stop for the time to any idea of further progress.

### SERVICES OF EXPERTS WANTED

Another project which we had in view has been hampered by a different set of circumstances. This was our scheme for obtaining the service of experts in the glass industries to advise our manufactures in India. We have now been informed definitely that it is

impossible to get men of the required stamp to come to India from England, and we must therefore cast about for other means of assisting our glass manufactures. We still have the matter under consideration, but I regret to say that I have no further progress to report at present.

Sir Thomas Holland informed you at the last Conference that we were in communication with the Home Committee of the British Engineering Standards Association with a view to getting the new Institution of Engineers in India recognised as a body capable of authoritatively establishing standards. During the course of the last year this object was achieved, and a local committee has been constituted to perform this function which consists of members of the Institution of Engineers (India).

We have hoped to make some progress with the question of taking periodically a census of Industrial production. Complete replies were received from local Governments and they showed considerable difference of opinion regarding the methods which we should pursue. One of the main difficulties was that of the staff by means of which such a census could be made, and, as nothing can be done towards achieving the object in view except through local Governments, it has not been found possible as yet to proceed with the scheme on an all-India basis. The question requires some further consideration before local Governments can be addressed again on the subject.

One of the most important subjects which has been engaging our attention is that of the British Empire Exhibition which will be held in London in 1924. The course of events connected with this subject has been very fully described in the prefatory note which is before the members of the Conference, and, as we propose to discuss it latter, I need say no more on the subject now.

#### TECHNICAL EDUCATION.

It is encouraging to be able to report that definite progress has been made in connection with one, at least, of our larger schemes for providing technical instruction in India—I refer to our project for the establishment of a School of Mines and Geology at Dhanbad. Detailed proposals regarding the buildings, equipment, staff and curriculum of this school have been drawn up by the Governing Body and are under examination by the Government of India. Here, again, we have been prevented by the financial situation from proceeding as quickly as we wished, and it was feared at one time that progress on this project would have to be completely stopped for another year, but I am glad to say that we have obtained the consent of the Legislative Assembly to a provision being made for the collection of material for the building of the School during the current financial year, and it is hoped that no further set back will be experienced. I may mention here that the Government of the Central Provinces have intimated to the Government of India their intention of providing two scholarships to be tenable at the school

on the condition that two students from that province will be admitted.

Two matters which have been engaging the attention of the Department recently were of particular importance. These were the institution of a definite programme of Railway expenditure lasting over five years and the establishment of an Indian Stores Department. The Stores Department had already taken on the work of purchasing textiles for the Army and was proceeding to organise other branches of purchase gradually. At the same time a Committee of the Indian Legislature had already sat to consider the revision of the Stores Purchase Rules.

### The Subjects discussed

The following subjects were then discussed :—

First, the relations between the railways, the public and the departments of Industries. Some discussion took place on the subject of recommendations made by the Indian Railway Committee presided over by Sir William Acworth, and it was thought that the system of local advisory councils advocated by that committee might meet the object for which the subject had been proposed for discussion by the Departments of Industries in the Punjab. The general feeling of the conference that they should await the result of any action taken as the result of recommendation of Indian Railway Committee before deciding for any other steps that are necessary in the direction of ensuing means whereby local interests might be enabled to exercise control over the railways.

The next subject discussed was with regard to the institution of an All-India Industrial Service and on this point the members of the conference were practically unanimous against the institution of such a service upon an all-India basis, the general feeling being that the provinces desired to be in a position to exercise a greater measure of control over officers who would be concerned with the administration of a transferred Provincial subject.

The views expressed on the next subject which was that of the institution of an all-India Chemical Service were largely similar while the feeling in some provinces was that they were not yet sufficiently developed to warrant the institution of an expensive all-India Service. Advocates of the immediate employment of chemists were inclined to think that their needs would best be met by the engagement of experts on short term agreement to deal with each problem as it arose.

The next subject taken up for discussion was that of the British Empire Exhibition to be held in London in 1924; the object of the Exhibition and the general outline of the scheme were explained at the conference together with certain suggestions made by the Indian Trade Commissioner in London for the participation of Provinces.

The central department of Industries had already addressed local Governments fully on the subject and had sent them rough estimates of the cost of participation. It was also explained that the most urgent matter was to arrive at an estimate of the amount of buildings required by the Government of India and the participating Provinces, since it was necessary that the foundations of the buildings should be taken in hand by March, 1923, and the buildings thus completed by December of that year.

The Director-General of Commercial Intelligence next brought up for discussion the question of relations between the Directors of Industries and the Director-General of Commercial Intelligence in regard to local trade intelligence and with this was discussed the subject of Inter-Provincial markets which had been brought forward by the Department of Industries of the United Provinces. The Conference was generally of opinion that certain proposals which had been put forward by the Director-General of Commercial Intelligence should be tried and if successful would largely serve the problem which the Director of Industries of the United Provinces had put forward.

Before the Conference was closed for the day the views of the members were asked regarding the utility of the publications of the Central Departments of Industries and the general view was that they served a very useful purpose and should be continued.

### *2ND DAY—18TH APRIL 1922*

In the absence of the Hon. Mr. Innes, who was summoned to Simla the chair was taken by the Hon. Lala Harkishen Lall, Minister of Industries, Punjab, at the sitting of the Fourth Conference of the Departments of Industries at No. 1, Council House Street on the 18th April.

The first subject discussed was that of the training in India of railway engineers and mechanics. Mr. Richards, Chief Engineer to the Railway Board, explained the origin of the subject and emphasised the fact that a distinction had to be drawn between training for superior grades of railway officers and of apprentices. The second class with which he wished particularly to deal was mechanical engineers and mechanics. Details were given to the Conference by the several Directors of Industries of the schemes which had been started or were in contemplation by Department of Industries in collaboration with railways. The Conference was generally agreed to the principle that the Provincial Departments of Industries should co-operate with the railways in the provision of facilities for training these two classes.

One of the specific questions put to the Conference by the

Central Department of Industries was the nature of the arrangement for dividing the functions of the railway administration and the Local Governments. In particular with regard to the division of the costs it had been suggested that an arrangement which might be acceptable would be one by which the theoretical part of the instruction was provided by Local Governments and possibly the costs of residential accommodation for students where necessary. The Government of India and Railway administration providing the facility for practical workshop instructions.

On the conclusion of the discussion on this subject Mr. C. D. M. Hindley, Chairman of the Calcutta Port Commission, addressed the Conference on behalf of the Council of the Institution of Engineers (India).

#### INSTITUTION OF ENGINEERS.

Mr. C. D. M. Hindley in the course of his speech said :—

"This Institution owes its origin partly to a recommendation made by the Indian Industrial Commission and partly to a movement which had already been started in various parts of the country towards association for professional purposes of Engineers engaged in various branches of the profession. Its constitution as originally drafted was largely the work of Sir Thomas Holland who gave the organising Committee the stimulus of his advice and experience until their efforts were crowned by the incorporation of the Institution on 13th September, 1920 followed by its public inauguration by His Excellency Lord Chelmsford on February 23rd, 1921 under the Presidency of Sir Rajendra Nath Mookerjee, when prominent Engineers from all parts of India were present. At the time of its inauguration, congratulations and good wishes were received from the Institution of Civil Engineers, of Mechanical Engineers and of Electrical Engineers. The Institution is an All-India organisation of essentially non-official character and its Council consists of 42 members, Indian and European, representing every branch of the profession and every locality. Corporate membership of the Institution is granted by election by the Council and is divided into two classes—Members and Associate Members. The Council require of all candidates for election a high standard of educational qualifications and satisfactory evidence of practical training. The standard of educational qualifications required will shortly be exhibited in the syllabus which the Council are now preparing for Associate Membership examination. For full membership the Council prescribe the age limit of 30 years and evidence of some years' experience in charge of important engineering works. The number of engineers so far admitted to Corporate Membership is approaching 500 and the list is growing rapidly. The entrance fee :—

Rupees 200 for Members—Subscription Rs. 60.



Rs. 100 for Associate Members or Associates—Subscription Rs. 48.

"But let me emphasise the fact that no money can buy membership and the Council exercise their powers of election without fear or favour. The Institution also admits as Associates those who are engaged in occupations allied to engineering, but who are qualified as engineers. Then, we have a class of students who are not admitted during the period of their engineering training and from whom it is hoped in the future to obtain the supplies of Corporate Members. Lastly, the constitution provides for a class of subscribers who may be either firms or individuals interested in engineering, whose annual subscription of Rs. 50 entitles them to be present at meetings and to receive copies of the Institution's proceedings. This, then, is roughly the constitution of the Institution, but an important provision in the Articles is that relating to local associations. There are provincial autonomous associations of engineers, consisting of Corporate members of the Institution within the province where the association is situated, and of affiliated members drawn from men engaged in the engineering profession but whose qualifications are not sufficient to permit of their receiving memberships of the Institution. These local associations, of which several have already been formed, manage their own affairs within certain conditions laid down by the Council, and give to engineers in various parts of India the privileges of associating together for professional objects. Meetings at which engineering papers are read, and visits to works are amongst the activities open to these association and the organisation on this basis gives to engineers in localities far away from the Central office of the Institution, the privileges and organised intercourse with their fellow engineers in the same locality of which they should otherwise be debarred by the geographical difficulties of frequent meetings of the central body. The constitution adopted also permits of a widening of the field of activities of the Institution while keeping intact the status of Corporate Membership and the high standard of professional qualifications at which the Institution aims. Local associations have already been formed in Bengal, Bombay, U. P., and others are in process of formation. The Chairman of these associations elected by the associations themselves are Vice-Presidents of the Institution. To complete the information I have given I may say that the President of the Institution is Col. Willes, R. E., Master of H. M.'s Mint in Bombay, the registered offices are in Calcutta (at present in Clive Buildings) and the Secretary is Mr. F. Powell-Williams. One of the principal objects of the Institution, and indeed my excuse for taking up your time to-day, is the rendering of assistance to the Government, whether the Central or Provincial Governments, and to other public bodies in matters connected with engineering.

"I would emphasise the fact that for the first time there is now a corporate body which by reason of its wide membership and the inclusion in its Council of men who have attained

distinction in all branches of the profession, is capable of giving valuable advice and assistance in many of the problems with which the Industries Departments of the various Governments are faced.

"I have explained that the Institution aims at maintaining a high standard of both educational and practical qualifications in the engineering profession. Election to corporate membership—whether full membership or associate membership—implies that a certain standard has been attained and I would suggest that in the interests of the work which you desire to see pushed forward you should use your influence with your Government and with public bodies to prescribe the membership of the Institution as a necessary qualification for appointments. In this way you would be making practical use of the standard of professional qualifications which the Institution has set up and will maintain. Lastly, I would mention the question of standardisation of materials. It is not necessary to enlarge on the benefits both to users of engineering material and to the manufacturers of establishing a recognised scheme of standards. Standardization is, in fact, an essential link between the manufacturer and the user, and as such is a matter which calls for the earnest attention of the Industries Departments. For many years past, as many of you are no doubt aware, the British Engineering Standards Association have been working on the establishment of standard engineering specifications for all classes of materials, and their standards are now universally accepted throughout the Empire and in many other countries. There are now 145 of these specifications issued and many more are in course of preparation.

#### STANDARD SPECIFICATIONS

"On the recommendation of the Government of India the Council of the Institution has been constituted the Indian Committee of the British Engineering Standards Association, and are responsible for their work in India. This work consists of two parts, firstly, the making available of the standard specifications already issued to those interested, and secondly, the examination of new draft specification from the point of view of Indian conditions. As regards the standard specifications already issued, we have made arrangements for these to be on sale at reasonable prices at Messrs. Thacker Spink of Calcutta, Messrs. Thacker and Co. of Bombay and Messrs. Higginbotham and Co. of Madras. For the examination of new specifications we have formed a Committee which will co-opt, as necessity arises, engineers who are experts in the particular line of engineering to which the specification relates. Our wide membership gives us the opportunity of obtaining the right men to deal with each case, and of ensuring that in finally settling the specification Indian interests and Indian advice shall be fully considered. Several new specifications are at present under consideration by the Council. In your work of industrial development, whether your

activities be in the direction of the manufacturers or the users, these standard specifications should be of great assistance and no Director of Industries should be without a complete set in his office, I may say that the Secretary, Mr. Powell-Williams will shortly be in a position to supply to any one who applies a complete list of the specifications issued and which can be obtained from the booksellers I have mentioned.

"Now gentlemen, I have indicated some of the directions in which the Institution of Engineers can be of assistance to you in your work and to the cause of industrial development. In return may I ask for your assistance? We want you to get into touch with the Institution. We want to take away with you to the various provinces and capitals the news that this Institution exists and is functioning, that it is working to establish and maintain high standards of qualifications of work and of conduct in the engineering profession throughout India, that the wider is the basis of membership the greater can be its power to assist its own members and the country at large, and that it is willing and able to give expert and disinterested advice to all who are concerned with industrial development in this country. Lastly, that one of its great aims is the drawing together of all engineers in India, both Indian and European, into a strong organisation for their mutual benefit, and for the benefit of those who make use of engineering skill and knowledge in their various activities."

### Other Subjects Discussed.

The last subject discussed was State Technical Scholarships. It was explained that the question has arisen out of a resolution which was carried in the Legislative Assembly in February last recommending that a sum of not less than six lakhs of rupees should be set apart every year from Central Revenues to provide for the education and training abroad of Indian and Anglo-Indian youths in certain subjects. It was pointed out that several of these subjects specifically included in the scope of the resolution were not central subjects under the Devolution Rules. It therefore appeared that it was not possible for the Central Governments under the constitution to spend money in the training of students in connection with such subjects. The Conference discussed the division of the various subjects which had been mentioned in the resolution between Central and Provincial. An interesting account was given by each provincial department of Industries of the extent to which they had been making and intended to make provision for scholarships for the training of students abroad in technical subjects.

The general feeling of the Conference was that if the Central Government would be prepared to look after the training of students in Central subjects they, the Provinces, would be fully prepared to discharge their obligations in respect of subjects which were classed as provincial.

*3RD DAY—10TH APRIL 1922*

The Conference devoted some time to the discussion of the proposal put forward by the Department of Industries, Bengal, in the matter of the need for co-ordination between provincial departments of Industries in regard to schemes for pioneer factories.

The Conference agreed generally to the proposal put forward by Mr. Weston that the fullest possible information should be furnished to other provinces regarding schemes for pioneer factories whether conducted by the Government or private enterprise for the guidance of those contemplating the initiation of schemes of a similar character.

Some discussion took place as to whether a central organisation was necessary for the preparation and publication of text books of a more or less elementary character for use in the class room in technical and industrial schools.

It was generally agreed that the information regarding such text books which had already been prepared in any one province should be made available to other provinces through the agency of the central Department of Industries. It was thought, however, that further information was desirable regarding the number and character of such text books as were already in existence before its final decision could be taken in the matter of their wider publication. The Conference agreed that such information should be collected before the next meeting of the Conference.

The general opinion of the Conference was that the time was not yet ripe for exhibitions of machinery on a large scale of the kind advanced by the Director of Industries, United Provinces.

Some discussion took place on the question whether it was possible or desirable to lay down any line of demarcation between the respective spheres of the Agriculture and Industries Departments in the provinces. The subject has been under discussion recently at the Board of Agriculture meeting at Pusa and the Conference agreed generally with the conclusion arrived at by the Board of Agriculture that any attempt to lay down a rigid line of demarcation between the spheres of the two Departments might tend to destroy co-operation between them.

The remaining subjects discussed related to the technical assistance to Industries and Industrial research in regard to which it was pointed out that action was already being taken in more than one province on the lines indicated in the Note which Mr. Bell had placed before the Conference.

The Conference were not in favour at present of instituting periodical meetings of Industrial engineers from the different provinces although the advantages of casual meetings between industrial engineers from the different parts of India for the discussion of matters of common interest was fully accepted.

In connection with the discussion on the subject of cheap power

for industrial undertakings, it was generally agreed that provinces should communicate with each other regarding results which have been obtained by any previous experiments in this direction. The Department of Industries in Madras was able to report satisfactory results from several small plants for the production of suction gas and promised to circulate a detailed memorandum on this subject.

At the conclusion of the Conference the Hon. Rao Bahadur K. Venkata Reddy Naidu, Minister, Madras, asked that the next meeting of the Conference should be held in Madras and the Conference unanimously agreed to make a recommendation to this effect to the Central department of Industries.

In the afternoon the Conference visited the Government of Bengal Research Tannery and the Calcutta Pottery Works.

# ANNUAL MEETING OF THE Bengal Chamber of Commerce.

*CALCUTTA—6TH MARCH 1923*

Sir Campbell Rhodes, President of the Bengal Chamber of Commerce, presided at the adjourned annual general meeting of the Chamber which was held at the Royal Exchange on the 6th March 1923. The President presented the Report for 1922 and addressed the Chamber. He said :

Gentlemen—It is my pleasant duty to present to you for your acceptance the account of our stewardship.

H. E. LORD LYTTON.

Early in the year the Governorship of Bengal passed from the hands of Lord Ronaldshay into those of Lord Lytton to whom we extend a cordial welcome and to whom we are pledged to give every possible support in his arduous and responsible duties. Of Lord Ronaldshay's governorship much has been said and there is little that I can add. His memorial lies around us in the happier condition of Bengal to-day. But your committee, acting with other public bodies, desired that there should be a definite tribute paid to his memory and that his statue should adorn the precincts of the new Council Chamber. Owing to the generous response to the public appeal from members of this Chamber, it has now been possible to get into touch with a sculptor in London and Sir Charles MacLeod is kindly acting on behalf of the Memorial Fund Committee. Lord Ronaldshay's wise guidance at the commencement of the Reform Scheme did much to save our Council from many initial mistakes and no site for his statue could be more appropriate than the precincts of the Council Chamber.

## TRADE.

The year just closed was a period of comparatively dull trade. This has not been altogether a misfortune. After the disorganisation of the slump, a period of restricted activity has had its advantages ; industry and trade have had to restore the years that the locust hath eaten, and it has been necessary for labour to learn that ever-increasing wages only create a vicious circle of ever-increasing cost of living and that real wages are thereby not increased. The strikes of the past year, which have fortunately been few, have proved abortive, for the demands made were impossible of acceptance. Capital and labour are resuming in great measure their old happy relationship. The Political and Economic unrest was due largely to the high and ever-increasing cost of living and we therefore rejoice at this year's bountiful harvest, which will not merely benefit

trade, but, what is more important, promote the well-being of the people on whose prosperity all our own depends.

#### WORKMEN'S COMPENSATION

During the year the Legislative Assembly passed its first really effective piece of legislation and one which vitally affects industrial interests in this country. I refer, of course, to the Workmen's Compensation Act. It is an important experiment for India and we shall be lucky indeed if we avoid that load of litigation which the English Workmen's Compensation Act has produced. The Act has been framed with great care. Representatives of our Chamber were consulted before even the Bill was drafted and as soon as it was published your Committee appointed a strong sub-committee, consisting of representatives of all the leading associations, to consider it. As the report shows, this sub-committee recommended important changes in the Bill and their recommendations were subsequently passed on to the Government. Perhaps the most important recommendation was that the clauses referring to the employers' Liability Act should be eliminated. We felt that it was detrimental to the interest of the workman to give him a choice either of compensation under the Act, or of a suit for damages under the liability clauses, as it would only provoke litigation. The arguments we used prevailed with the Government and with the Assembly, and as a result of our recommendations these clauses were dropped.

#### EXCHANGE.

The exchange situation was so recently and ably dealt with by our representative, Mr. Rushforth, at the meeting of the Associated Chambers of Commerce in January, that there is little now to add. The Utopia of a two shilling rupee has vanished from the scene of practical politics but I am convinced that the time is not yet when a new ratio can be fixed with any guarantee of comparative stability. The resources at the disposal of Government have not been sufficient to permit of any adequate step being taken to counteract the effect on exchange of the alternate flow of import and export trade, and Government has, therefore, wisely followed that policy of non-intervention which this Chamber has so constantly and consistently advocated during the past two years. At the same time, the Government, like the merchant, is a constant remitter, and if the ordinary commercial procedure is followed of taking advantage of a firm market to remit or of a weak market to refrain from remittance, Government can assist in large measure the natural forces ever at work to stabilise the rupee. Whilst there would be certain advantages to Government in remitting through the ordinary banking channels Council Bills have long formed the conventional method of remittance and in all Government operation the policy of public tender has come to be regarded as sound. In commerce it is, however, the practice to arrange for homeward

remittance at this end, and the advantages of so doing on the spot where the funds are accumulated and where the exchange market primarily exists, are surely too obvious to require labouring. I strongly advocate the view that what is sound policy for the commercial man, is sound also for the Government and I should like to see the purchases of sterling for remittance home regulated even if not actually effected in India rather than in London. I strongly commend this point to the attention of the Secretary of State and the Government of India. Our new Finance Member comes to us with a great reputation won in the arena of the Continental and American exchanges and his assumption of his new office affords a fitting opportunity for the inauguration of a desirable change of policy in regard to Council Bill along the lines I have indicated.

#### FISCAL COMMISSION.

During a considerable part of the year, I was engaged on the Fiscal Commission. Selected because of my connection with this Chamber, I could not in any way consider I held your mandate nor, consequently, did I bind you to the views to which I put my signature, for on the fiscal question every house is divided against itself. It will interest you, however, to know that one criticism levelled against the report was that it followed closely on the lines of the Bengal representation, and at the Associated Chambers of Commerce the resolution, put forward by our Vice-President, supported, if not the findings, at least the safeguards of the majority report and was supported by an overwhelming majority of the Association. I do not propose to discuss the Fiscal Commission's Report at any length to-day, for my views have been frequently stated in public. Neither before nor after the publication of the Report have I seen any practicable alternative scheme drawn up from the free trade point of view; nor any realisation of the fact that as I stated in the Assembly the other day, for the past few years we have had haphazard protection masquerading in the guise of free trade. The income of the country is derived in increasing degree from customs duties and as such duties rise they automatically become protective. Quite apart from the economic arguments advanced by recognised economists in favour of discriminating protection for countries industrially new, I have seen no suggestion from the orthodox free trader as to how this revenue is to be made up other than by customs duties nor as to how these customs duties are to be imposed without being protective. Myself a free-trader from my youth up, and still a firm believer that universal free trade is the goal at which we should all aim, as for England it is even to-day the best policy, I had yet to face the facts of the Indian situation and support what I believe to be the only possible solution in the face of the high revenue duties now imposed. As Sir Basil Blackett ably pointed out the other day, fiscal policy is largely a question of time, place and opportunity, and if we are committed by revenue considerations to



high import duties, then at least let us regulate them, not in the present rough and ready manner, but with an impartial eye to all the interests concerned. I am well aware of the dangers of embarking on a policy of protection, a danger which can only be avoided if the agricultural provinces of India continue to make their voice heard in the Assembly to prevent needless or extravagant protection being given to industry, especially to those industries which supply the elementary wants of the poor. The recent debate in the Assembly proved conclusively that these agricultural interests are not altogether inarticulate. We can therefore look forward with some confidence to the future with a Tariff Board independent of political influence, a "sine qua non" recommended by the Associated Chambers and accepted both by Government and the non-official members of the Assembly. Many people appear to think that higher duties with a higher cost of living are the natural corollary of an honest admission that evolution has already forced protection on India. I disagree. The policy enunciated in the resolution moved by the Government and accepted by the Assembly, laid down that no industry was to receive protection unless, "inter alia," it was one which would eventually be able to face world competition without protection. I fail to see how any rate much, if any, higher than the present high duties can be justified to the Tariff Board if this condition is to be fulfilled. Many of our critics have failed completely to grasp the scope of our recommendations now adopted by the Government, for the word "Protection" has always been a red rag to the average "John Bull."

#### RAILWAYS.

You will have read the account of the debate in the assembly last week on the vexed question of State vs. Company management of Indian railways. The outstanding feature of the debate was, I think, that whilst one side argued the question from the economic point of view, the other was entirely led away by political considerations, a fact perhaps explicable in measure by the circumstance that the members of the Assembly have shortly to meet their constituents, amongst whom nationalisation has long been a ruling passion. But it is regrettable to find a member declaring in the Assembly that his party did not make a fetish of efficiency for the man who tampers with efficiency on the railway tampers with human life. I do not believe for one moment that he reflected the average Indian point of view either inside or outside the Assembly. I know that many of my Indian friends view with as grave concern as any member of this Chamber the day when the railway systems of India will be run by a bureaucracy centred in Delhi, hampered in its impossible task by constant interference from the Assembly. I believe and trust that day will never come. Not one single participant in the debate claimed that State Management was economical and the latest figures published are eloquent on this subject. My Indian friends in the Assembly tell me that the door is not banged and

bolted on Company Management, for many of them realise that centralisation and State management spell disaster not only to the railway system but also to the development of the resources of the country and to the public revenues from which the inevitable losses will have to be recovered. The mover of the resolution in the Assembly last week himself remarked that he only looked upon State Management as the lesser of two evils. It behoves our Chamber to press steadily for decentralisation of the railways. I sounded a note of warning at the opening of the annual meeting of the Associated Chambers and I repeat that warning to-day. The function of the Chief Commissioner of Railways is to advise the Government and the railways on matters of policy; it is not to manage the railway systems of a continent. Re-group your railways by all means, but see to it that the control of the greater systems centering round Calcutta, Bombay and Madras is vested in those centres in close touch with public opinion. The Chief Commissioner will then be able to emerge from behind his prison bars of office files and move amongst us freely. I see and dread the danger of a new railway bureaucracy in Delhi which in the name of economy will erect steam hammers to crack nuts. But it cannot be otherwise, for centralisation is inevitable under any system of nationalisation. Decentralisation can only come by the formation of bonafide companies domiciled in India with, on the spot, a responsible directorate, in which the commercial and general public, both Indian and European, have complete confidence. We must admit that we have not yet been able to formulate such a scheme. The financial situation is against us at the moment, but it behoves our commercial and financial experts, both Indian and European, to work together to preserve the arteries of India's prosperity. If a practicable scheme can be advanced, I do not believe for one moment that the Assembly will turn it down and those of you who will take the trouble to read the full official report of last week's debate, when published, will be tempted to share my optimism.

#### RETRENCHMENT.

During the year I had the honour, both on behalf of the Associated Chambers of Commerce and of our Chamber, of leading a deputation to His Excellency the Viceroy, in which we urged strongly that an endeavour should be made to balance the budget. This deputation was unique in its way, for associated with us were representatives of several of our Indian Chambers and Associations, ably led by the Chairman of the Bombay Merchants' Chamber and Bureau, Mr. Purshotamdas Thakurdas, to whose initiative the deputation was due. Commerce and industry, as I pointed out at the opening of the Annual Meeting of the Associated Chambers of Commerce in January last, knows no bounds of race or creed and I look forward to the time when the Indian Chambers and ourselves will find it possible to work more closely together in commerce and industry for the good of the country—a goal which will be more

easily attained if we can keep our chambers as free as possible from political bias. In appointing the All-India Retrenchment Committee, Government paid our Chamber a great compliment in selecting as its Chairman one of our most distinguished ex-presidents, and as members three other members of our Chamber. Its work has only just been concluded and it is too early yet for the public to digest the very important issues involved. The cut in the Military expenditure may cause some alarm but it must not be forgotten that it has been approved by the Commander-in-Chief in whom we have all the fullest confidence. The Budget is now before us but I venture to suggest that the budget speech of the new Finance Member is almost more important than the budget itself, for it indicates the lines on which future budgets will be prepared. Sir Basil Blackett is evidently determined on a sound financial policy and it is up to the Chambers of Commerce in India to give him all the support we can. Budgetting for deficits must cease. The balance must be struck not by increasing taxation but by reducing expenses and it is to be hoped that, however unpopular all retrenchment must be, effect will be given to the recommendations of the Inchcape Committee so far as is found practicable. The constant raising of import and export duties in order to find the point of maximum productivity is bringing its own retribution. The general level of duty is too high, in motor cars excessive, whilst as recommended by the Fiscal Commission, the tea and hide duties should be abolished and the jute duty kept at a low figure. Great, however, as is the desirability of reducing these taxes, great as will be the unpopularity of an enhanced salt tax, the necessity for balancing the Budget is in my opinion greater still. Agitation for the reduction of these import and export duties may therefore have to be delayed another year, but I trust that the Chamber will continue to press for a sound tariff policy, especially in connection with our export trades.

Your President was appointed to serve on the Bengal Retrenchment Committee—described at its inception as a “white-washing” committee—probably the only criticism which has not been levelled against it since its report was issued. The publication of the report has proved an interesting study in the psychology of the people. When we started our labours the cry for retrenchment was loud. The cry is loud to-day, but it is not for retrenchment. Criticism was to be expected and probably some of the criticism is justified but the bulk of it appears to be based on the false premise that it is right to waste good money in a good cause. Waste cannot be so justified and waste we found.

If I may venture on a dispassionate excursion into the realm of politics, I would draw your attention to a considerable weight of criticism that has been levelled at the decentralisation proposals of the Bengal Retrenchment Committee. We have been told by our Indian friends that it is premature to place more

power in the hands of the District Boards and that people in the mofussil are not yet sufficiently educated in civic responsibility to undertake the supervision of education, sanitation, and other pressing problems. That may be so or not, but it is not long ago that India was clamouring for a greater measure of self-government and these very arguments were used in England against the granting of the same. It is an interesting analogy and should teach us all to realise that we live in glass houses. The most difficult task of wise statesmanship is that of delegating responsibility to weaker or less experienced hands. It is interesting to note that our Indian friends are finding this as hard a lesson to learn as we have done in the past. Unless responsibility is granted before absolute fitness is assured, it will never be granted at all. Otherwise we might tell the tyro that he should not mount a horse until he had learnt to ride.

#### HOWRAH BRIDGE

No Presidential address has been complete during the last year or two, and I gather no Presidential address during the next half century will be complete, without some reference to the proposed new Howrah Bridge. As a Chamber we are not engineers. All we ask is for an effective bridge built at a reasonable cost, with the least possible delay under the soundest possible method of finance. Committee after Committee sits and I can only express a hope that something will be done before a steamer breaks its mooring in the monsoon and settles for ever the fate of the present decrepit structure.

#### TELEPHONE.

The telephone service has again occupied much of our attention and we cannot but feel that the patience of the public has been tried more than was necessary. I think I voice the views of all present if I ask the Bengal Telephone Corporation to devote all its energies to the improvement of its system even if by so doing it has not time to be opening up constantly the question of charges and terms. We have adhered to the bargain we struck and some of us think that there is rather too much buzzing going on at the other end of the wire.

#### RACIAL DISTINCTIONS BILL.

Last month the new Racial Distinctions Bill passed safely through the Assembly and presumably will shortly become the law of the land, thus ending a source of irritation between us and our fellow Indian subjects which has persisted since the days of the Ilbert Bill. I had the privilege in the Assembly of expressing on behalf of the European Community our appreciation of the way in which the Indian members of the Racial Distinctions Committee, most of whom are distinguished members of the Assembly, endeavoured to meet and in a great measure met the legitimate claims of the European Community. There is in the Assembly a growing

spirit of tolerance and good-will which augurs well for the future. It is now my pleasant duty to offer thanks to our Vice-President who represented us on that Committee and who contributed largely to its success, and also to another of our members, Mr. Carr, the Chairman of the European Association, who has worked unceasingly to effect an honourable settlement. I have watched the work of these gentlemen from behind the scenes. I know how difficult at times have been the immediate problems they have had to face, and they have the satisfaction of knowing that the work they have done, not only for our community but for India as a whole, has been valuable beyond all estimate.

#### RENT ACT.

Another matter of indirect but vital interest to our community on which I desire to touch in brief is that of house accommodation in Calcutta. Probably some of our members would have liked your Committee to have pressed strongly for a new Rent Act. The Chamber has, however, consistently set its face against Government control in any shape or form unless the necessity for such control has been amply proved and unless control is found to be the lesser of the two evils. The Rent Act has now been extended for a year and during the interregnum I trust that a strong committee will be appointed to investigate the present situation and to endeavour, if possible, to eradicate the middleman to whom so many of the present evils appear to be due. It is in the interest of all concerned that all the occupier pays the land-lord should receive.

#### FLOODS:

You will find in the Report a reference to the extensive floods which occurred in the Rajshahi and Bogra districts in September. Your committee felt that they could not call upon you for relief funds so long as the money you had subscribed for the Cyclone Relief Fund of 1919 and the Midnapore Relief Fund of 1920 remained unspent, but they clearly intimated that if further money were required we should be prepared to ask our members to contribute with their traditional generosity.

#### AUXILLIARY FORCE.

I now desire to say a word or two about that perennial and difficult subject, the Auxiliary Force. The Force is sinking back into that state of inertia that existed before the war and constitutes an almost insoluble problem. On the one hand, we find a natural disinclination to attend monotonous drills, rendered ineffective by the small numbers that turn out, both amongst those who constitutionally prefer the golf links to the parade ground, and also amongst that large body who have carried arms not only on the Maidan but on the fields of Flanders; on the other hand, we have the stern fact of periodical recrudescence of rioting in Calcutta when the Auxiliary

Force has to render, as it has always rendered, valuable support to the police and military, and of national crises, when we may again be asked to relieve the regulars in the fort. At such times the unenrolled man is useless. I have no remedy to suggest. Extended camps are an impossibility, for no firm can spare a large number of its men at one time for a week or fortnight. Long week-end camps are not so impracticable and if the military authorities will be satisfied with these, it is up to us to render them all the help we can. By encouraging our men to join up, by stating, as my firm states, in its first agreement, that we expect our men to join and become efficient volunteers, we may avoid or at least stave off that decision which otherwise will have to be made, whether the force is to be disbanded or whether any form of compulsory service is a practical problem. There is one other alternative, a less spectacular though perhaps a not impracticable one. I am not a military expert; my service in the Auxiliary Force has been in a very humble capacity in the ranks, but I have sometimes had the temerity to wonder whether the authorities were right in training us as a military force, when in practice we are used almost entirely as a town guard or armed police. For such purposes, the chief requirements are.—for the many :—enrolment, elementary drill and practice at the range; for the few :—interesting and more intensive training in armoured cars etc. I am well aware of the advantages of military training and discipline in dealing with large crowds, but the fact remains that this training in not being given, this discipline is not being inculcated under the present system. I think we, volunteers, would have realised our obligations and been more capable, if we had been trained more along the lines on which we have been employed when actually called out, instead of being sent out when trouble arose in charge of patrols without a single hour's instruction in the methods of street patrolling and picketing.

#### ANGLO-INDIAN EDUCATION AND HOSPITALS

There is one matter which lies outside the immediate sphere of commerce but which I have promised to bring to the attention of members. In doing so I am not asking those present to commit themselves in any way to a new policy without examination but I intend, after I have attained a position of greater freedom and less responsibility, to elaborate my views to the new committee. The question of the education of the Anglo-Indian Community is becoming a pressing problem. There is one large undenominational school in Calcutta, La Martiniere, of which your President is always an ex-officio Governor, and there are many other denominational schools, all alike in their state of chronic bankruptcy. At the Annual Meeting of the Governors of La Martiniere, His Excellency Lord Lytton made the very pertinent suggestion that a school like the Martiniere might well be fathered by this Chamber, in the same way as the big Livery Companies at home run their own schools. The Bengal Chamber of Commerce,

of course, is not a Livery Company ; nor on the other hand, are its functions confined so rigidly to commerce as Chambers of Commerce in England. The question of Anglo-Indian education is one, however, in which we must inevitably take a keen interest, for every succeeding year is offering greater opportunities to this community in industry and commerce. It is not a problem for the European alone. The Anglo-Indian community is a joint trust of the Indians and Europeans and it is for our representatives in the Councils to keep this point of view ever present before our Indian friends when the question of grants comes up. On this occasion I wish to do no more than to suggest a line of thought not only in regard to our schools but also to our hospitals, and we shall watch with keen interest the developments in Bombay in connection with St George's Hospital. Both kinds of institutions suffer from lack of endowments consequent on the fact that we spend our declining days in the homeland, where we develop in the autumn of our life new outlets for our posthumous charity.

#### ACKNOWLEDGMENTS.

My year of office has been rendered easy by the traditional loyalty and goodwill of the Committee. The responsibilities of a President of the Chamber are growing year by year and fortunate is he who can count, as I have been able to count, not only on the support but also on the helpful suggestions and criticism of my Committee. I have already referred to the good work done during the year by your President-elect and I have to thank him for having taken over my duties during my periods of absence from Calcutta in connection with the Fiscal Commission and the Legislative Assembly. He has also had to be absent at times on public work and the responsibilities of the Presidential chair then fell upon our oldest member of Committee, Mr. Langford James, for whose help during the year I wish especially to record my grateful thanks. Only those who have occupied the position of President can really estimate how great a power behind the throne Mr. Langford James has been for some years past and I have often turned to him for advice and counsel and never turned in vain.

Our Secretary was absent for the greater part of the year on a well-deserved and much-needed holiday, the pleasure of which was marred, I fear, by the serious operation he had to undergo at home. We rejoice to have him back amongst us restored in health and he arrived in time to undertake the heavy responsibilities of arranging for the Annual Meeting of the Associated Chamber of Commerce. The Chamber has been greatly honoured by the C.I.E. recently conferred by His Majesty on Mr. Haywood and we congratulate him on this recognition of the public service he has rendered to the country. His private efforts in the cause of the depressed of Calcutta are known only to a few, for Mr. Haywood is one of those who do good by stealth. During the greater part of the year Mr. Cunison has

been our acting secretary, a tower of strength to me in my daily visits to the Chamber and a draftsman of great ability as you will realise when you get copies of the letters sent out during the year over his signature, letters which I know have been of great assistance to the Government in helping to shape the commercial and industrial policy of the country.

#### CONCLUSION.

We have had several very important and technical matters to deal with during the year and for the consideration of these we have appointed representative "ad hoc" committees, consisting of the leading authorities amongst our affiliated associations. The grateful thanks of the members are due to those who have so willingly responded to our call during the year and the number of those working in Calcutta for the common good is steadily increasing. I have often heard it said that our younger men are reluctant to come forward. Let me contradict this assertion most emphatically. I have indented, possibly with unprecedented freedom, on the assistance of my fellow members of the Chamber, old and young, during the past year and never in a single instance have I met with anything but a ready response. Given the opportunity our younger men are not only willing but anxious to do their bit in commerce and civic life as so many of them did their bit during the war. I give them a hint that I found the Corporation of Calcutta to be an excellent though exacting school of training for political life and one in which some of your representatives are rendering devoted service. The demands on our time are growing year by year. The removal of the capital to Delhi has intensified these demands. Whether it is better for your President to remain in Calcutta and do his duty on the local Council or whether he should be absent from his place in the Chamber for considerable periods in the year in order that he may be a member of the Central Legislature where all important commercial problems are debated and settled, is a question on which opinions may rightly differ. The request of my Committee that I should stay in Delhi for the discussion on State vs. Company management of railways and in doing so put the members to the inconvenience of a postponed Annual Meeting is an argument which may be used either way. But I am convinced that adequate representation in Delhi is a matter of growing importance. The Legislative Assembly is not to be judged by its occasional pyrotechnic displays but by its more solid work. The growth there of a sense of corporate responsibility has been extraordinarily rapid. The Assembly has developed many of the House of Commons traditions, especially in discouraging oratory and welcoming any man who can put constructive views before the House or who can do useful work in the Committee rooms. If the progress I have noticed during the short time I have had the honour to represent the European constituency of Bengal is maintained, there is no reason



for any of us to be alarmed at the evolution of the Reform Scheme. All parties in the Assembly, assisted by men of ability and character in the Government of India, are endeavouring with no small measure of success to work an unworkable system and it has been admitted by all in the Legislature that the non-official European both in the Council of State and in the Legislative Assembly has added in no small measure to such success as has been attained. It will always be difficult to secure men able and willing to devote their time to attendance throughout the Delhi session, or to extend their period of stay in India in order to continue their public work. Circumstances sometimes, however, create exceptions and should the European community in Bengal desire that I should continue to represent them on the Assembly for one or possibly two cold winters my services are at their disposal. Of one thing I have felt the need. Questions at Delhi crop up suddenly and your representatives require to be primed with the views which have been expressed at various times by the Chamber of Commerce and other associations in the province. I think the Associated Chambers of Commerce should have a small office in Delhi in charge of a capable clerk or junior secretary who can supply whatever information is required at the shortest possible notice, and if the Associated Chambers of Commerce are to have their own representative on the Assembly such an office, accumulating the past views of the various Chambers in the Association, will be indispensable. I strongly recommend the new Committee to take up this matter without delay through the Associated Chambers of Commerce and thus to ascertain the views of other Chambers before the next annual meeting in Bombay. When I am in Delhi I am always inundated with requests to make enquiries on behalf of the Chamber and kindred associations, and if the Associated Chambers were to have such an organisation in Delhi or Simla I feel sure that we could learn much more quickly than by the ordinary channels of correspondence the position of matters in which we are interested. The difficulty of getting men to represent us in the Councils at Delhi will still remain. We have the men and our only regret is that some of the London firms do not realise the necessity for allowing their partners here an opportunity of working for the public weal. I feel that in keeping their men back from public work these firms are not quite playing the game, for they are benefiting by the sacrifices which other firms are prepared to make for the general good, without offering anything in return. The country requires, and in spite of what is sometimes said, I assert, welcomes our co-operation in the task of governing India. We are ready, all of us, to assist in the great work to the limit of our powers and by thus paying some of the debt that we individually owe to India, we are enabling India in turn to pay some of that great debt she herself owes to an Empire that is the common heritage of us all.

The President then invited members to comment upon the

Report and to express their views on subjects of interest to the mercantile community.

Two members having spoken on the exchange and fiscal question the President moved, and the Vice-President seconded that the report be accepted and the accounts passed.

This was carried.

The President moved and Mr. R. Langford James seconded that the election by the Committee, under article 14 of the Articles of Association, of some of the local firms and companies be and is hereby confirmed.

This was carried.

The President reported the result of the election for the Committee of the Chamber for 1923-24, held under articles 40, 41 and 42 of the Articles of Association, as follows:—President: Mr. W. L. Carey, M. L. C.; Vice-President: Sir Robert Watson Smyth; Members: Mr. J. W. A. Bell; Sir George Godfrey; The Hon'ble Sir Edgar Holberton, C. B. E.; Mr Nigel F. Paton; Mr. Alfred Foot Smith; Mr. J. A. Tassie; Mr. A. D'A Willis.

Sir George Godfrey moved that a cordial vote of thanks be accorded to the gentlemen forming the outgoing Committee for their successful management of the affairs of the Chamber during the past year. In doing so he referred to the question as to whether railways should be under State or Company management and remarked:—Within the last few days the Legislative Assembly have passed a resolution on this subject applicable to two of the leading railways of the country. I cannot help feeling that many of the members of the Assembly who voted in favour of that resolution were obsessed with the purely political aspect of the proposition. Their narrow view was that of a long vista stretching out before them filled with the delights of much control over the working and staffing of the railways of the country; but it is satisfactory to note that the voting showed a large and influential majority who took the broad view of the best policy for the country at large and who realised, in no uncertain way, the extravagance which would follow upon a system of complete State management of railways in India. They knew the bad results which have taken place elsewhere and do not wish to see them repeated here. In my opinion it is to the business men of India, such as members of this Chamber, that the question is of vital importance.

Mr. C. F. Beadel seconded the resolution which was unanimously adopted.

Mr. H. W. Carr moved, and Mr. R. N. Band seconded, a vote of thanks to the Chair which was carried with acclamation.

The Chairman having acknowledged the vote of thanks, the meeting closed.

# ANNUAL MEETING OF THE Bombay Chamber of Commerce

*BOMBAY—14TH MARCH 1923.*

The annual general meeting of the Bombay Chamber of Commerce was held on March 14th afternoon, in the rooms of the Chamber, Graham's Building, Mr. F. Nelson, Chairman of the Chamber, presiding H. E. Sir George Lloyd attended the meeting.

In moving the adoption of the report of the Committee of the Chamber Mr. Nelson said :—

Your Excellency and Gentlemen,—It is my privilege to propose the adoption of the report of the Committee of the Bombay Chamber of Commerce for the year 1922 and in rising to do so I wish first to express how very deeply we appreciate the presence here this afternoon of His Excellency the Governor : for the third year in succession he has honoured the Chamber with his presence at the annual general meeting and it is impossible for me adequately to record the unfailing sympathy and support which he has accorded to matters commercial throughout his term of office : it is, I fear, the last time when we shall have the honour and pleasure of welcoming His Excellency on this occasion and I feel that I am most inadequately expressing the sentiments of my predecessors in the chair and all our members when I say that the Bombay Chamber owes a lasting debt of gratitude to His Excellency for his unvarying interest in the affairs of the Chamber during his tenure of office.

I feel that it will be expected of me to enunciate some weighty pronouncements on the question of Indian Exchange, but I must say at once that I have no intention of inflicting on you at length my views on this vexed question. At the recent annual general meeting of the Associated Chambers of Commerce of India and Ceylon, the Bengal Chamber of Commerce moved the following resolution ;—

“ With reference to the proposals recently put forward to restore the ratio of Rs. 15 to the sovereign this Association is of the opinion that no alteration of the nominal ratio will be of any advantage to India until world conditions become more stable and until the internal finances of the country have been put on a sound basis ”

And on behalf of the Bombay Chamber I supported this resolution—which was carried unanimously. It is not my purpose destructively to criticise the findings of the Babington Smith Committee—in fact I am a staunch admirer of their carefully reasoned recommendations which, based as they were on necessarily incom-

plete data owing to the then state of flux in the world's exchanges, and the precious metals were swept to destruction by a flood of circumstances which it was humanly impossible to foresee. Until the way is clearer, it is in my opinion the safer course to choose that we should carry our incongruous burden of a 25. rupee (gold) irrespective as to the levels on market touches, forced thereto by the fluctuations of the balance of trade, until it is possible to visualise with some degree of accuracy the probable course of gold and silver and the world's exchange generally.

When my predecessor in the chair addressed you last year, exchange was 1-3/3-16 and we have in the interim touched 1-5/3-8, our present quotation being in the neighbourhood of 1-4. Having regard to the history of the last few years, this cannot be regarded as a heavy fluctuation, and I am thankful to say that although there is still a great deal of speculation—I should perhaps say, still a great deal too much speculation—I do not think it is on the increase—anything approaching stability being the mortal enemy of the speculator or jobber.

After referring to the sale of Council drafts by the Secretary of State, he said:—In May last I had the honour of forming one of the Retrenchment Deputation led by Sir Campbell Rhodes and the Hon. Mr. Purshotamdas Thakurdas which waited on His Excellency the Viceroy and presented him with an address on behalf of the Indian and European commercial communities in India pressing for a reduction in the expenditure of the Central Government.

Several highly important matters pertaining to shipping have come before us during the year: your Committee have given their views at length on the question of the revision of rules for precautions against fire and in regard to distress signals on native passenger ships. The question of the recruitment of lascar seamen and deck passengers, both of which were examined by a Special Committee appointed by Government, also engaged our attention and in the latter connection our thanks are specially due to Mr. H. P. Browne, Mr. F. C. Annesley and Mr. T. W. Dowding who placed the benefit of their experience at our disposal. Another shipping problem that we were requested to advise upon was the highly intricate subject of the assessment of tramp steamers to Income Tax. The Government of India frankly stated that the question bristled with difficulties—a conclusion with which your Committee was in entire agreement.

#### COTTON TRADE

Turning to the cotton trade, the President next referred to the Indian Central Cotton Committee which is statutorily empowered to administer the proceeds of the Cotton Cess Bill, and which has a very comprehensive programme mapped out for the sanction of Govt as soon as funds are available. Some of the projects embrace: (a) Establishment of a Technological Institute in Bombay; (b) establishment of a Central Research Committee at Indore; (c) establishment of

scholarships to enable young Indian graduates to be trained in agricultural cotton research. Continuing, he said, cotton experts all the world over predict a world shortage of cotton, and it is vitally necessary therefore that India should place herself in the position of being able to supply her own mills with clean long-stapled cotton, and of being able to produce a surplus that will generally be acceptable to the rest of the cotton consuming centres of the world.

What I confidently hope will prove a mile-stone on the road of progress traversed by commercial legislation was the passing into law, on September 22nd last, of the Bombay Cotton Contracts Bill. The cotton trade was even then in the throes of the deplorable effects of an attempted so-called "corner" of a certain grade of cotton, having only quite recently emerged from the general trade dislocation forced upon it by an earlier attempt at the same thing. The Bill is designed to give statutory recognition to the East India Cotton Association, but although already law it does not become operative until the rules made thereunder are sanctioned by Government. The position therefore is that, so soon as a set of rules is framed by the trade and duly sanctioned by Government, the East India Cotton Association will have statutory powers conferred upon it enabling this Association duly to regulate the cotton trade, and the administrative machinery contained in its Articles of Association will receive legislative sanction. It is greatly to be hoped that these rules will be submitted to Government as soon as may be, for, although disaster overtook the last two attempts at a "corner", it is questionable if this is sufficiently a deterrent to render unlikely the chances of another effort in this direction.

I wish that I was in a position to be equally sanguine about our Stock Exchange: I can imagine no greater handicap to the progress of this great Presidency than to see for months together the natural channel connecting capital and industry clogged and useless—sometimes with values of various scrips many times inflated, at other times just the reverse—the market closed on occasion for days, sometimes virtually for weeks, for no ostensibly valid reason, and the backbone of all Stock Exchange—the Investor—made the sport and play-thing of the prevailing mania for speculation until a stage, such as we are in at present, is reached when the bonafide investor in industrial shares having just confidence has practically ceased to exist. There is something very wrong in this state of affairs.

After referring to the fourth meeting of the Associated Chamber of Commerce, he said:—I feel certain that the appointment of Mr. Dadiba Dalal as High Commissioner for India is one that meets with the entire approval of all of us here this afternoon. All of us here are his friends and all of us his admirers, and I am confident that his administration of this important post will be marked by the conspicuous ability by which his work is always characterised.

A brief retrospect of the last year, whilst not perhaps too bright on the surface, leaves in my view no cause for pessimism.

The balance of trade from January to December, 1922 was Rs 14 crores in favour of India. Heavy speculation marred the records of our cotton market and Stock Exchange, but considering everything the recovery of trade in general was remarkably rapid, which speaks volumes for the inherent soundness of the commercial foundations of Bombay. The outlook for the future is unfortunately wrapped in obscurity owing to the reaction of political events in France and Germany on trade and industry. The philosophical dictum that "Economic forces are stronger than political policies" is apparently our one hope that a way out of the impasse in regard to the Reparation question may soon be found. This whole question is so intimately bound up with Indian trade, in so far as it relates to the inability or otherwise of Germany to purchase Indian produce, that the economic aspects relating to this vitally important problem cannot be passed over."

You have done me the great honour of re electing me your Chairman for the ensuing year, and I am deeply grateful for this signal mark of your confidence which I shall endeavour to the best of my ability to justify. I am more than pleased that you have secured Mr. Hudson as your Deputy Chairman and congratulate you on your choice. I now beg to propose that the report of the Committee of the Bombay Chamber of Commerce for the year 1922 be adopted and confirmed.

#### MR. GOODALL'S SPEECH.

In seconding the report, Mr. C. H. Goodall, Deputy Chairman of the Chamber, referred to the question of State versus Company Management and said :—"It is so old and has been dealt with so frequently by this Chamber that it is unnecessary for me to go over in detail the reasons that made the Committee follow the traditions of this Chamber in favouring Company Management."

The resolution was put to vote and carried unanimously.

#### The Governor's Speech.

Mr. Chairman and Gentlemen,

This is I fear the last occasion on which I shall be accorded the privilege of attending the annual general meeting of this Chamber, and I should like at the outset of my remarks to tell you how greatly I have appreciated the Chamber's courtesy in inviting me here year after year and above all in permitting me to express my views to you and to hear your Chairman's annual address. I have always considered this a real privilege certainly of great advantage to myself, and I hope not entirely disadvantageous to this Chamber, inasmuch as anything which tends to co-operation and understanding between this Chamber and Government must, I think, be of mutual advantage.

I was really pleased to hear the note of optimism struck in your Chairman's able speech regarding the present position of Bombay's trade and the results of last year. Indeed, I think that note is well justified by the latest trade returns, which give reasonable ground for expecting a considerable revival in the current year. I told you last year that I thought you had every reason to be confident of the occurrence of this revival and though it must be admitted that it has been slow in coming, still I do not think that when India looks to the conditions obtaining in other countries she is justified in being pessimistic.

The one dull spot in the economic picture is the cotton industry, but I gather it is rather a question of price than quantity with this industry. Wages in the Lancashire cotton trade are now 95 per cent. above the list rates and 90 per cent. higher than in 1914. During last year the total reductions in wages amounted to 20 per cent. Before the war the consumption of cotton goods in this country was four thousand million yards per year, of which Lancashire supplied nearly three thousand million yards. In the year ending last March the consumption had dropped to 2800 million yards of which Lancashire supplied only 1000 million yards, a loss equal to two days work a week for the entire cotton trade for a year.

The imports of piece-goods into India show a large percentage of increase in the current year. But until Europe is more settled any sustained revival of trade with India's customers abroad seems to be altogether out of the question.

In internal trade also there is one significant feature and that is that the Railways for the year 1921-22 proved for the first time a direct loss to the State. For more than 20 years previously they had been a most important source of revenue, and it was of course the conditions so unfavourable to exports which prevailed then which was the cause of this disastrous state of affairs. It is to be hoped that the return of favourable balance of trade will set this matter right. I confess however to considerable anxiety in regard to the future of our Railways under State management. That management will have to be administered with the utmost care and skill if the many difficulties which history has shown to be almost inevitable in State control are to be avoided. We must hope for the best but the new experiment will need careful watching.

I have listened with great interest to your Chairman's very able exposition of the Exchange question and to his remarks and suggestions regarding India's financial position. With what your Chairman has said regarding rupee exchange I am in close agreement. My own theory is that stability of exchange must wait upon stability of trade conditions, and present indications seem to me to show that we are gradually nearing the normal in that respect.

You, Sir, have expressed in your speech considerable anxiety in regard to conditions in the Bombay Stock Exchange; and I will

at once admit that I and my Government share those anxieties very largely. That they are widespread has been fully evidenced by the attitude of the Legislative Council in the matter and unless strong proof that matters are mending is forthcoming in the immediate future, it may, in the best interests of finance and trade, be necessary to consider the situation very carefully.

In conclusion, Sir, let me wish this Chamber and its members a speedy return of good trade and of normal conditions. I cannot claim that in my period of office Government has been able to do anything abnormal for your assistance but I think perhaps we may claim to have had a steady policy and in face of great difficulties preserved a confident and serene outlook and confidence is one of the most important factors in trade recovery.

Once again, gentlemen, I thank you sincerely for your constant courtesy and help to my Government at all times and no less invariably to myself.

After the election of members and a vote of thanks to His Excellency the meeting closed.



# ANNUAL MEETING OF THE Indian Merchants' Chamber.

*BOMBAY—24TH FEBRUARY 1923.*

The Annual General Meeting of the Indian Merchants Chamber, Bombay, came off on Saturday, the 24th Feb. afternoon, in the Office of the Chamber at Bank Street, Mr. Devidas Madhowji Thackersey, vice-chairman, presiding.

At the outset, the President in proposing the adoption of the Report and the Audited Accounts and Balance Sheet of the Chamber said :—

During the year under report the Hon. Mr. Purshotamdas guided the affairs of the Chamber at a great sacrifice of his personal comforts and valuable time and it would have been more in the fitness of things had it been convenient for him to preside over this meeting. I am sure you are with me when I say that his presence is badly missed by all of us on this occasion. Amongst the most important matters that engaged the attention of your Committee during the year under report may be mentioned the following :—The Tariff Committee, the Report of the Railway Committee, and the general question of State versus Company management of Indian railways, the Joint Deputation of the Indian and European Chamber of Commerce that waited upon His Excellency the Viceroy regarding the retrenchment question, and the treatment of Indians in the Colonies, especially East Africa. As for the Fiscal Commission's report the country at large is thankful to the Hon. Sir Ibrahim for rendering a great service to the cause of Indian trade and industry, by his able lead and far-sighted minute of dissent. Unfortunately this minority minute has not proved acceptable to the Government and the Legislative Assembly as decided by the resolution passed at their recent meeting. However, there is some satisfaction to note that the Government have accepted the principle of Protection for the promotion of Indian industries with certain reservations. If honest efforts were made to initiate the policy as accepted by the Hon. Member-in-Charge for Commerce and Industry in near future, I for one will believe that the labours of the Fiscal Commission have not been spent in vain. At the same time looking to the past traditions of the Government of India in this matter ever since the days of the East India Company down to our present time, the Indian commercial community may justly be not inspired with a feeling of high confidence in the future policy for protecting and promoting Indian industries. It is a matter of common knowledge that before the advent of the British in India arts and handicrafts flourished in this country and

India carried on an extensive trade with foreign countries in Indian bottoms. Unfortunately, those arts and industries have since then been gradually extinguished with the result that India stands in the humiliating position of depending upon foreign markets even for such articles which were once her own special manufactures. This helpless position of India cannot by any means be regarded as a piece of British administration which can be looked upon with pride or credit even by the British nation. Let us therefore hope that now the Government of India having accepted the principle of fostering our industries will now divert their energies for putting the same into practice with the same zeal that the East India Company and the subsequent British administration displayed in the work of their destruction. We can safely urge that as a first step towards the application of new policy, the mill-stone which has been tied hanging round the neck of India for so many years in the shape of Excise duty be removed by earliest opportunity. The plea against this abolition, that the finances of the Government of India will not allow of it, cannot stand examination for long. There are a number of commodities largely imported into India which are used by well-to-do people and cannot be regarded as necessities by the poor population in the interior of the country. These commodities such as spirits, wines, scents, patent medicines, refined oils, paints, stationeries, toys, glasswares, superior hosiery, all kinds of silk piecegoods, and gold and silver laces and ribbons can well bear the burden of heavier import duty which will if levied fill up the deficiency in the revenue, at the same time protecting and promoting the manufacture of these articles in the country. If in the next budget or soon thereafter the Government intimate the system of taxation on these lines, we will have strong reason to believe that they are going to push forward the policy as adopted.

Now we come on the next subject. Soon after the publication of the report of the Indian Railway Committee, your Committee urged upon the Government the advisability of not taking any action in the matter until the whole question was threshed out in both the Houses of Indian Legislature. In their representation addressed to the Government in this matter your Committee incidentally dwelt on the necessity of buying the stores for Indian railways in the cheapest market. In order to place before the Government the combined views of all the Indian Chambers of Commerce on this all-important question your Committee also convened a Conference in the rooms of the Chamber of the leading Indian Chamber of Commerce in the month of August last and the resolutions that were passed at that Conference are embodied in the report that is before you. In the matter of goods traffic through the Railway companies as common carriers are bound to take care of the goods entrusted to them, it is notorious that they disown their liability for loss or damage to goods in transit to the utter detriment of the Indian trading community. In order to enquire fully into

this matter the Government of India appointed a Railway Risk-note Committee to whom your Committee made some practicable suggestions but matters have still not improved and stand as they were. The debate of the question of State versus Company management of Railways comes off on Monday next before the Indian Legislature and we are anxiously awaiting the result.

#### EVER-GROWING EXPENDITURE OF GOVERNMENT OF INDIA.

Another important question which engaged the attention of the Committee was the ever-growing expenditure of the Government of India. As you are aware our President after carefully considering the question arranged for a joint deputation of the Indian and European Chambers of Commerce in India which placed before His Excellency the Viceroy the considered views of the Indian and the European commercial community on this important question. As a result partly of that deputation the Government of India were pleased to appoint a Retrenchment Committee and although the report of that Committee is not yet published we sincerely hope that the Committee will make substantial proposals towards the retrenchment of military expenditure of the Government of India. While I am on this question I cannot help regretting the scant respect which the Council of State has paid to the resolution of our respected and veteran leader, Sir Dinshaw Wacha, in the matter of disamalgamation of the Army expenditure. The process of continually increasing the Indian military expenditure is almost contemporaneous with the process of gradually killing Indian arts and industries since the 17th century, and I very much fear that if the Government of India will not be wise in time in reducing the Indian military expenditure they will themselves be instrumental in giving rise to delicate situation predicted by Sir D. E. Wacha. We therefore anxiously await the recommendations of the Retrenchment Committee and also the Budget announcement of the Finance Member. Lastly I now come on the present situation under which we labour in conducting our trade and commerce. England which is groaning under debt as a result of the late war is trying to revive her industry and trade by reducing the cost of commercial services like Post, Railways, Shipping, labour charges, etc. We, in this country, on the other hand, are asked to bear heavier costs for such services. Combined with these difficulties our trades have been undergoing severe tests under the uncertainties of artificial and fluctuating exchange with the complex system of our Currency. No sincere efforts for salvation seem to be in sight and we anxiously wait for the day when we shall have at least some relief in these directions. It is hoped that the Government of India will pay due regard to the recommendations of this Chamber in the matter, when the same is brought before them. The grievances of Indians abroad have grown almost unbearable and the public feeling against the bad treatment accorded to Indians in the Colonies is

growing so acute that it behoves Government to initiate a rigorous policy in the interests of Indian subjects.

#### FIRST INDIAN HIGH COMMISSIONER.

I now come to the last important matter in which the Government have responded to the wishes of the Indian commercial community in the appointment which they have been pleased to make of Mr. Dadiba M. Dalal as the first Indian High Commissioner. Mr. Dalal will very shortly take charge of his appointment and it is hoped that in future the interests of India will be safe in his hands.

Gentlemen, in conclusion, I beg leave to draw your attention to the finances of our Chamber. In view of the vigilance which is required of our Chamber for safe-guarding the Interests of the Indian commercial community heavy expenses are to be incurred towards its maintenance. From the Balance Sheet of the last year you will see that the financial position of the Chamber is very far from satisfactory. I hope that the new Committee which comes to power will be alive to this situation and recommend to the general body for adopting due measures for placing our organisation on a sound and permanent footing.

#### Mr. Purshotamdas Thakoredas.

Mr. J. K. Mehta, Secretary of the Chamber, next read out the following speech of the Hon. Mr. Purshottamdas Thakordas :

A somewhat peculiar complaint against the work of this Chamber in particular and the Indian commercial bodies in general has recently been that we do not restrict our energies to purely commercial questions but allow the same to extend to political spheres. I contend that there is no justification for such complaints; and I certainly maintain that during the year under review there has been no ground for such an allegation. Indeed there is no dearth of associations and public bodies in India to take up and speak on political questions, from the Indian point of view. But where commercial interests depend upon the political powers of the Legislature or even of the Government of India, both of which are far from complete at present, or where political powers vested in other bodies abroad handicap Indian commercial interests there, surely, the most punctilious ought to have no ground for drawing a hard and fast line defining how far commercial bodies should go and where they should stop. The interference of Lancashire's interests in Indian fiscal questions is an example of the former, and the threatened rights of the citizenship of Indians in the Colonies may be quoted for the latter. After all, it is not to be overlooked that European commercial interests in India have open to them other channels of influence, and generally of making their views felt, which privilege the Indian commercial community does not yet enjoy. If therefore we turn to politics oftener than our colleagues, the European commercial bodies, one need not run away with the idea that we

busy ourselves with problems detached from commercial and industrial interests. Political conditions indeed, vitally affect these interests. And in a transitional stage of the political status of India the widest watch and ward are necessary on the part of every section of the Indian public and workers in the progress of India all round.

I therefore think it of the greatest importance that persons of all shades of thought and opinion should be in the legislatures of India and of the Provinces. It is very distressing indeed to hear that there is even a talk of entering Councils for the purpose of wrecking them, or obstructing Government in directions where no obstruction can be justified. It is very much to be wished that nothing disastrous like this will happen. India has a good deal of leeway to make up in the direction of nation building, and there is not the least doubt that little can be achieved by either destructive or wrongfully obstructive efforts. I fully realise that when constructive work does not meet with encouragement or support from the powers that be, there may be an inclination by impulse to rush to the other extreme. This perhaps is a natural foible of human nature, but I hope that in the years to come responsible and thinking people will set their faces absolutely against any such tendencies. I am not unaware of the immense work that still remains to be done and the vast amount which can be quoted as having been left undone by the present Legislature. Perhaps those who complain in this direction have some justification. It is not possible to discuss general statements satisfactorily; but I will say only this, that whilst the powers and privileges that India possesses to-day may be small and nominal as is often remarked, there is no doubt that they are capable of very substantial utility if properly used at the right moment. And for this proper use the best intellect of the country is necessary. I do not belong to the class that think that Indian interests and aspirations are doing much too well under the present constitution; but I certainly belong to the class which feels that if we are not doing better, we have in the first instance to thank our ourselves. I am convinced that self-help and self-discipline are two virtues which we need to infuse into our public work in a much larger measure. Whilst I may not be optimistic of the near future, I do not think it would be rash to observe that in the long run India must benefit by constructive, organised and persistent efforts towards the attainment of her most cherished goal.

#### SIR BASIL BLACKETT'S FIRST BUDGET.

Continuing, the speaker said, the whole country is anxiously awaiting the first budget of Sir Basil Blackett, who has the reputation of being a great authority in European problems of currency, exchange and finance. At the International Economic Conference of Genoa in April-May 1922, Sir Basil was the Chairman of the Committee of experts attached to the Financial Commission. He and his eminent colleagues in their valuable report have expressed

the view that there are undoubted advantages to be obtained by a return to pre-war gold parity, but that in countries where currency has fallen far below the pre-war parity such a return must involve serious social and economic dislocation ; and they suggested that "considerable service will be rendered, both to its own internal economy and to the cause of European recovery, by that country which, after reaching comparative stability in its currency, first decides boldly to set the example of securing immediate stability in terms of gold by fixing a new gold par at or near the figures at which comparative stability has been obtained." In India, the costly, and may I say, ghastly, experiment of maintaining the Rupee at 2s. has miserably failed. But since May at least we appear to have settled down round about 1s. 4d. to the Rupee, and it would be interesting to know if in the opinion of our Finance Minister there is any obstacle to India looking upon that figure as the figure at which comparative stability has been obtained. The Indian commercial community is justified in looking to Sir Basil to act up to the principles he laid down as Chairman of the Genoa Committee of Experts. I am aware of no valid reason or excuse for deferring this. India must have a proper Gold Standard based on the Rupee at 1s. 4d. gold i.e., Rs. 15 to the Gold Mohur or gold sovereign, and the Government of India must be ready to mint gold mohurs as soon as bullion is tendered to the Currency Offices and to the Mints.

He then congratulated the new President and the Vice-President of the Chamber on their election.

#### Sir F. Currimbhoy

Sir Fazulbhoy Currimbhoy, President-elect of the Chamber for the year 1923, after thanking the Chamber for having unanimously elected him for the position of Chairman, in the course of his speech said :—

"While thanking you for the honour which you have conferred upon me, it is my duty to refer to some of the problems which we will have to face. The greatest problem, it seems to me, is the problem of adjustment through the period of transition—when this country is passing through both of political and economic transition. I need not refer to the political transition here in detail before this body, but there is no doubt that our rulers are recognizing that India is destined to take the control of her internal affairs in her own hands, and we on our part must give them the credit that they are genuinely trying to bring about the adjustments with the least amount of dislocation. On the other hand, the economic problems of the transition period are many and serious. The world is still suffering from the wounds inflicted upon by the war and, though India was happy in not having any warfare on her own soil, India's contribution, direct and indirect, to the expenses of the war and in the many hardships suffered by all classes of the community, has not

been small. Of this contribution generous-minded Englishmen have made ungrudging acknowledgment from time to time. We are now suffering principally from a tradition of interference from London, which might have served its purpose in days gone by, but which at the present time gives rise to delays, difficulties and suspicions. This interference in economic matters relating to India on the part of London has to be withstood by us and we have got to expose from time to time in what way the interests of this country suffer on account of this interference. We want the Government of India, whoever they are for the time being, to be trusted to adjust matters on all economic issues, pursuing public opinion in the country as expressed in the Councils and by commercial bodies like us. I cannot help thinking that a good many of the more difficult problems would be solved once the angle of vision is altered and confidence is placed on the Government of India to do the right thing in consultation with their Council and in consultation with public opinion of the country.

On behalf of this Chamber, I think, I can safely proclaim that we, Indians, have every desire to see justice done to all existing interest. We believe in the sanctity of contracts and believe in the policy of "live and let live." We shall not, on our part, make any demands which may involve any injustice being done to any existing English interests in this country. But subject to this, we must have ungrudging adjustment in the larger economic problems such as currency and finance and tariffs made by the Government of India in consultation with their Council and Indian public opinion.

The speaker then referred to Finance, Currency and Exchange and then continued—

India's trade with the world is still in its infancy and has got to be developed. Our direct connections with the world are absolutely restricted and limited. I have often thought that this insular character of our trade is a very damaging thing to us, and that India's trade could be developed if we had Indian commercial attaches placed with the British legation at the principal commercial centres of the world. This question the Chamber has pressed on the Government over and over again, and I trust Government will see their way to make a beginning in this direction before very long. Every British Colony in the world has machinery appointed from the colonial capital to seek new avenues of trade and India's resources, which are vast at present and not fully utilized for the good of her people, could be developed in this direction if proper connections were established with various parts of the world."

The report was then unanimously adopted. After the new Managing Committee and an auditor for the next year had been appointed, the meeting was dissolved.

# MEMO. OF THE Indian Merchants' Chamber

*BOMBAY, AUGUST 1922*

In the course of the memorandum addressed to the Secretary, Railway Board, Simla, on the subject of State Versus Company management of Railways in India, the Committee of the Indian Merchants' Chamber and Bureau observe as follows :—

The report of the Acworth Committee has not yet been discussed by the Legislative Assembly, and it is difficult to understand why the Central Advisory Council should have put Government to the trouble of preparing concrete schemes of Company Management. My Committee are inclined to believe that the case FOR State Management and AGAINST Company Management is so strong and public feeling against Company Management so unanimous that the Assembly are hardly likely, they venture to think, to entertain any misgivings regarding State Management of the East Indian Railway and the Great Indian Peninsula Railway. In addition to this unanimous opinion of the country, which has been clearly expressed for many years now, the experts on the Acworth Committee, including the President, have in the Majority Report dealt so thoroughly and exhaustively with all the PROS and CONS of these two systems that my Committee do not wish to add anything to it. In fact it would appear to my Committee that but for the fact that British commercial interests want Company Management, the Government of India might well be expected to have accepted State Management as a result of the weighty opinion in favour of it in the Acworth Report. The worst aspect of Company Management, as is vogue at present, is that it is not Company Management as understood by that expression ; it is a hybrid with all the disadvantages of State Management in its worst aspect, and with none of the advantages of management by people whose real financial interests can correctly be said to be at stake.

## Political Fears.

In para 5 of your letter you refer to the dangers of State Management of Railways in a country which is advancing in the direction of democratic Government. What is said by the Minority of the Acworth Committee in para 250 of the Report of the Committee has not been overlooked by my Committee. But under the present conditions of the Government of India my Committee can only confirm their deliberate opinion that State Management of the East Indian and the Great Indian Peninsula Railways must be given a full and fair trial, so that when a fully responsible Government is available to the people of India, the present arrangement may, if at all necessary, be revised without the handicap of a committal in the present transition period. For, if the Indian Legislature wish to change the form of management later on according to one of the conditions proposed in the schemes mentioned in your letter, the new contracts would be terminable only after Government could prove that their property was being mismanaged. But in that case even there would have to be a reference to arbitration, and the Company would have to be paid out at par, even though the



shares of the Company might not be worth that much in the open market. If, on the other hand, these two lines are State-managed, no dispute would arise when any other arrangement is made by a later Government or Legislature. And from this point of view also (VIDE para 238 of the Acworth Committee Report) my Committee would press for State Management of the East Indian and the Great Indian Peninsula Railways.

### Alternative Schemes

The alternative schemes suggested in your letter can, without the slightest fear of challenge, be said to be schemes of the same nature as the present system of Guaranteed Companies, and my Committee unanimously confirm the conclusion of the Acworth Committee in para 216 that the English Companies do not, and the Companies suggested by the Government of India will never, possess the essential attributes which belong to ordinary commercial companies. As said by the Acworth Committee Majority Report, to claim that because ordinary companies possess the advantages of energy, enterprise, etc., companies of the type suggested by Government may be expected to possess those advantages, is to be misled by a mere name. And India must refuse to be thus misled any more. Governments in other countries have before now sold their Railways out to private companies. This is not suggested by any of the supporters of Company Management; nor it is likely that if there were a buyer of the East Indian Railway or of the Great Indian Peninsula, either totally or of the major part of either, the Assembly and the Government would entertain such a proposal. Railways have in every country been looked upon as concerns of public utility. They have always been administered even in the most democratic countries with very considerable control from the Executive Government. In India the problem of the management of Railways has to be considered from the point of view of what is best in the interests of the country in present conditions, political, economic and moral. Even the reference to the Acworth Committee enjoined that the relative advantages of the various systems of management should be considered "in the special circumstances of India". The condition is a very vital one in the decision of the policy to be followed regarding the East Indian and the Great Indian Peninsula Railways. My Committee submit that those who oppose State Management and favour Company Management overlook this most important condition that must guide any consideration of the problem, and they venture to submit that the Majority of the Acworth Committee have come to their decision in favour of State Management after taking due cognisance of this condition. My Committee would further like to ask those who run down State Management in India on their own deductions from the results of such management in foreign countries, whether they could point to any country where conditions of Government offer even an approximate parallel to those in India.

My Committee wish to reiterate their opinion that the rejection of the unanimous recommendation of the Acworth Committee regarding the separation of the Railway Budget from the General Budget of the Government of India has been the fundamental wrong step taken by the Government of India which may be now said to be militating against direct State Management. For this, however, the Government of India should realise that they have to thank themselves as the Hon'ble the Finance and Commerce Members are reported to have given the lead in this direction at the meeting held in Calcutta last December.

## FEAR OF OVER-CENTRALIZATION.

A good deal of unnecessary alarm and nervousness is sought to be created by the supporters of Company Management on the score of over-centralization of control at Delhi if State Management is adopted hereafter. Paragraph 242 of the Majority Report deals with this. What is wanted is decentralised management, and there need be no fear of over-centralization of control at Delhi. The Scheme of executive decentralization as suggested by the Acworth Committee is all that is needed to avert any fears on this score. The Government of Canada are understood to have definitely turned down private control of the Canadian Railways, and my Committee understand that it was declared "that it is the intention of the Government to have one Board of Directors that will manage the entire system in a manner that will effect economies and further efficiency." Surely the danger of over-centralization of control should be as perceptible in Canada as in India. And yet the Government of Canada have resolved against private control of their Railways.

## EFFICIENCY OF STATE MANAGEMENT.

I am to draw the attention of the Government of India that out of a total mileage of 37,029 miles, open at the close of the year 1920-21, 11,168 miles of the Indian Railway system are at present being managed directly by the State. The evidence recorded by the Acworth Committee goes to show that in the opinion of Railway officials, the Railway Board and the Commercial community, there has been no difference in the efficiency of state-managed lines as distinct from Company-managed lines. Unless the evidence referred to above is not to be accepted as conclusive proof of the equal efficiency of Company-managed and State-managed Railways as existing at present, my Committee venture to ask why are the Government of India so apprehensive of taking over to State Management the East Indian and the Great Indian Peninsula Railways, and appear to be so anxious to hand them over to Companies with small fractions of capital subscribed from private sources? Indeed, a few witnesses before the Acworth Committee laid some emphasis on the spirit of emulation that is created owing to two different types of management existing side by side. Whatever weight this argument may carry, my Committee would point out that even though the Government of India accept State Management for the Railways where their contracts fall due hereafter, the last contract to fall due is the one with the Bengal-Nagpur Railway in 1950 which means that for 28 years more there will be, side by side with State-managed lines, Railways worked by private Companies,—a form of management for which the Government of India seem to have great partiality. Bearing this in mind, my Committee submit that the Government of India should not go against the declared wishes of the Indian public in the matter of the East Indian and the Great Indian Peninsula Railways. For, the East Indian Railway is the best and most remunerative in India. It would hardly be fair to the taxpayer to hand over what is recognized as the soundest of Indian Railways to a set of private capitalists in direct opposition to the declared views of the Indian public.

Regarding para 6 of your letter I am to communicate to you herein verbatim the replies of my Committee on the questions referred therein.

(1) The management of the East Indian and the Great Indian Peninsula Railways should, on the expiry of the present contracts, be taken over by the State. No private capital should be mixed up in any of these railways on any account, and the two Railways should be completely State-owned. The management of these Railways should not be entrusted to a Company even though domiciled in India.

(2) This needs no reply. My Committee are emphatically against Company-management on the lines indicated in your letter. In fact, my Committee venture to go so far as to say that it is not feasible to suggest any reasonable and business-like methods of Company-management for the Indian Railways.

(3) It should, in the opinion of my Committee, be not only possible but feasible to associate a Board of Directors or Trustees with the Agent for the management of the Railways concerned; and the Board should be composed mainly of businessmen with one or two representatives of the Government of India or the Local Government in each case. The engagement of experts such as General Managers, Chief Engineers etc., is a matter of detail; but there is no reason why such experts should be on the Boards of Management.

# ANNUAL MEETING OF THE South India Chamber of Commerce.

*MADRAS, 28TH MARCH 1923.*

The Annual General Meeting of the Southern India Chamber of Commerce was held at the Chamber buildings, Madras, on Wednesday the 28th March 1923. There was a fair attendance of members. Sir M. C. T. Muthia Chetty, in the course of his Presidential address, said :

The outstanding event of public importance at the moment is the doubling of the salt tax to balance the Central Budget. It is a thousand pities that of all the proposals for taxation this proposal should have found favor with the Central Government. Various alternative proposals have only been made to be summarily rejected and the poor man, for whom there is a profusion of sympathy on other occasions, has come in handy on the present occasion. It is indeed shocking to be told that this doubling of the duty on salt is not going to affect the poor man's bill of fare. We have been also seriously told that the objection to this increase is only based on sentiment. Far from being a sentiment, the increased value of salt will very soon show itself to be a very hard fact. I have no doubt that dearer salt will have far-reaching consequences on the physical, economical and political condition of the millions of masses of this country. Despite assurances to the contrary, I have very grave apprehensions that the proposed 100 per cent increase on the price of this indispensable commodity will cause such a disturbance in domestic conditions of the peasantry and the laboring classes of this country that ere long it will be found that evil of an uncovered budget or the additional revenue of four and odd crores are nothing before the havoc which this dangerous impost has caused to the body politic. From the utterances in support of this impost, two things are apparent. One is that this obnoxious taxation is going to be a feature of our finances for a long time to come. The other is that by means of the additional revenue which this taxation may bring in to the Central revenues, there is every likelihood of our Provincial contribution being gradually reduced and eventually wiped off. The iniquitous impost is bad enough, but to bargain, as the Central Government would seem to be doing, to offer the continuance of the iniquitous impost with one hand and the doubled salt duty with the other, as alternatives for us to choose is a development which we least expected. The iniquitous impost of Provincial contribution pales into insignificance before the doubly iniquitous impost on salt. It may be one thing to raise the credit of India in the estimation of the investing world outside by showing a balanced Budget as is now proposed ; but it is overlooked that

this desperate insistence on taxing the poor, and thereby draining the very life-blood of the nation to sustain huge Civil and Military services, will only go to shatter the credit of the Central Government in the estimation of investors inside the country. After all, in a country of this dimension and of the scale of our public expenditure, a great deal depends upon the internal credit of the Government—I should say very much more depends upon such internal credit than upon external credit. As such, if we are at all gaining in our external credit, I dare say we are losing very much more in our internal credit.

For a long a time past, there has been an anxiety on the part of the Local Government, Public Bodies, and the people of this Presidency for long-deferred and urgent Railway development in Southern India. We have, so far, been fortunate in getting schemes considered, plans fixed, and even estimates prepared for our urgent requirements. About the end of last year, it looked as though we were going to take a definite step forward and that we would not, as usual, be left in the cold, when the Railway Gods at Delhi finally pick and choose their favourite projects. But once again there is a lull in the interest taken in the matter of this Railway development in Southern India and it looks as though nothing is going to be done in the immediate future. If instead of developing the country for industrial and commercial purposes in Southern India as we seek, it were a question of strategic Railways to meet fancied Army requirements, we should have by this time had a net work of Railways, costly and useless, running over the length and breadth of this Presidency. Fortunately or unfortunately, Southern India has no military significance at all. Only so recently there was a Mopilla rebellion on the West Coast and as a consequence of it, of all development projects, a Railway line in the troubled area, and a wireless installation for its benefit, have acquired a sudden importance. I have no doubt that these two projects will soon be an accomplished fact. You see, gentlemen, the course which Railway development takes in Southern India.

It is lamentable that we have not recovered as yet from the shock of the last two years and that the general trade conditions are still very depressing. Of course the control of the trade and commerce of a country like ours is not in our hands nor in the hands of the Government of this country. What with the general monetary conditions, financial stringency, heavy taxation, high prices, and lifeless trade, industry and commerce, and what with the relations between those who govern and those who are governed, we are by no means having a situation which we can view with complacency. I trust and hope that conditions may yet improve and that in the near future we may still be able to carry our normal life with fairly good cheer.

After the annual report was adopted and office-bearers for the ensuing year elected, the meeting came to an end.

## ANNUAL MEETING OF THE BENGAL National Chamber of Commerce.

*CALCUTTA—27TH MARCH 1923.*

The annual meeting of the Bengal National Chamber of Commerce was held at Calcutta on Tuesday the 27th March afternoon, Raja Reshee Case Law, C.I.E., presiding.

The president in opening the meeting said that the year for which the Committee of the Chamber had submitted their report had not been free from the depression due to 'post bellum' conditions. Though the value of their exports had exceeded the value of their imports during the nine months, April to December, 1922, both the Imperial Government and the Provincial Governments had found it difficult to balance their budgets. The Bengal Government was to be congratulated on the fact that they had been able to avoid new taxation. But the Budget of the Provincial Government was not one which its authors could feel proud of. For want of funds there could not be any provision for development, no elaborate scheme to combat disease and ignorance.

During the year under review the Chamber was requested to express an opinion on the subject of State vs. Company management of railways in India. They were not oblivious of the advantages of company management of railways—a system which obtained in many countries. But as was pointed out by four members of the Acworth Committee the system which was being tried in India could not be called company management in its true sense. "The guaranteed Companies" they said "do not possess the essential attributes which belong to ordinary companies." Till ordinary Indian companies came forward to undertake the work of managing railways it would be better for the State to take up direct management of the railways in India. The speaker was glad to note that the E. B. Railway and E. I. Railway have accepted the recommendations of the Acworth Committee in the matter of the formation of Local Advisory Committees. On these Committees their Chamber had been asked to nominate representatives. But what about the Central Advisory Board? In the matter of the Central Advisory Board the recommendations of the Committee had been ignored and the Central Government had nominated members from among the members of the Legislative Assembly. Here the claims of Indian commerce had been overlooked, and the Government did not consider it necessary to have on the Board Indian representatives from Bengal who were vitally interested in commerce. The Committee had recommended that one-half of the non-official members

of the Board " should be nominated by the leading commercial and industrial associations, both European and Indian."

The political unrest that had manifested itself during the previous year was subsiding and it might be hoped that in the near future normal conditions would once more prevail creating an atmosphere of peace which was essential for the development of industries and commerce.

While they had been trying to redress the wrong that has been done to the Chamber in not giving them permanent representation in the Legislative Assembly, a grievous wrong had been done to them by the Provincial legislature in declining to give them representation in the Calcutta Corporation. The Calcutta Municipal Act, he said, had granted special and even communal representation to institutions and communities but had not given the Indian mercantile community the right to be represented on the Corporation. While the European mercantile community would have such representation, the Indian merchants must go without it! And the most unkindness cut of all was that this had been arranged by an Indian Minister.

The extension of the operation of the Calcutta Rent Act was another measure which had been carried in the teeth of public opposition.

#### BABU JADU NATH ROY

Babu Jadu Nath Roy, the Honorary Secretary, in presenting the report of the Committee for 1922, said that the Committee of their Chamber in giving their opinion regarding fiscal tariff recommended protection both for the purposes of revenue and for the development of the country's resources where necessary. Some contended that by protective tariff they could make the poor consumers pay more for indigenous goods while they could purchase foreign goods at comparatively cheaper prices. These people who advocated free trade for India and pretended to feel for the poor consumers of this country had recourse to protective tariff in their own country for developing their own industries and even cried against foreign dumping. One would see that the Chamber advocated considerable retrenchment.

In reviewing the report of the Bengal Retrenchment Committee, he said, that though they would all seek for retrenchments wherever possible still they could not view with equanimity any reduction in expenses on educational, medical and agricultural institutions which were bound up with the material progress of the people of this country.

#### MR. W. C. BANERJEE.

Mr. W. C. Banerjee said:—Mr. President and Gentlemen, I rise to congratulate the Chamber on the useful work it has accomplished during the year under review. With the prosperity of this institution—the premier association of its kind in Bengal, if not in India—is bound up the prestige of the commercial community of Bengal.

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We have often been told by the European merchants of Calcutta that their interests are identical with ours. But what do we find actually? Do we find them eager or even willing to co-operate with the children of the soil? They have their Chamber and their Associations. In some of these Associations—and I speak without fear of contradiction—Indians are not allowed to be members. Their Chamber and some of the Associations accept Indians as members, but Indians cannot aspire to be members of their Executive Committees. There was a time when Indians like the late Nalin Behary Sircar and the late Mr. Chander represented the Bengal Chamber of Commerce on public bodies in Bengal. But things have changed since their time, and in spite of legislative attempts to remove racial distinctions, such distinctions are more manifest in European Associations to-day than they were before. I hope the Honorary Secretary of the Chamber will bear me out when I say that European mills on the banks of the Hooghly decline to accept jute carried in Indian owned and managed vessels on the same conditions as jute carried in vessels belonging to European companies. We are a peaceful people, we, the members of the Indian mercantile community. But we will not brook an uncalled for insult offered to our self-respect. A community which has produced men like Ram Gopal Ghose, Maharajah Durga Charan Law, Nalin Bihary Sircar and which still boasts of men like our President, Sir K. N. Mukherjee and Mr. G. D. Birla, can hold its own against any combination to jeopardise the legitimate aspirations of Indian merchants. In the success of this Chamber we find the determination of that community to claim and to occupy its proper place in the industrial and commercial life of the Presidency. I have hopes that the day will soon come when the other Associations started by Indian merchants will—while retaining their individuality—come within the fold of the Bengal National Chamber of Commerce and thus strengthen this central body. They may all be located in the Chamber buildings for which our Hony. Secretary has promised a suitable and substantial sum. I am sure, you all appreciate the work done by the Chamber.

In the Report you will find a reference to increased representation on the Calcutta Port Trust. It has been recommended that the Chamber will have power to elect four Commissioners and, I understand, a Bill will soon be introduced to give effect to this recommendation. Let us be thankful for small mercies but press for more. I would here point out that the Indian Merchants Chamber of Bombay has been entitled to elect five representatives and this has been considered insufficient by the "Bombay Chronicle," which advises the members of the Chamber to press for an amendment of the Act. I hope I betray no trust when I say that in the meetings of the Port Commissioners I tried my best to secure a larger number of seats for my Chamber. I hope and trust the Indian members of the Cabinet of His Excellency the Governor and



the members of the Legislative Council will allot more seats to the Chamber, as even with 4 seats the Indian representation on the Trust is inadequate when you consider the large number of Europeans in the body ! While on this subject, I cannot help referring with regret to the fact that no seat has been allotted to the Chamber on the Calcutta Corporation—an omission which I can ascribe to the age of the Bengal Minister who has now crossed the border line of 72 ! I trust that this wrong can still be remedied by nominating a member of the Chamber instead of conferring the nomination on the members of the Indian Association.

The President has referred to the question of State vs. Company management of Railways in India. There is no reason why the companies should step in between the State and the people and carry off large sums. The Chamber supported State management and I am glad the Government of India have accepted Dr. Gour's proposal that the management of the E. I. and the G. I. P. Railways should be taken up by Government when the present agreements terminate.

I hope and trust the time is not far off when the Indian Mercantile community will by their united and earnest effort succeed in solving the poverty problem of the country with the result that Budgets will automatically balance themselves and it will not be necessary to force on a poor people a certified salt tax which, as the Rt. Hon. Mr. Sastri says, is a greater evil than an unbalanced budget.

## ANNUAL MEETING OF THE British Indian Association.

The annual general meeting of the British Indian Association was held on the 28th March 1923 in the rooms of the Association. The Hon'ble Maharaja Sir Manindra Chandra Nandi, K.C.I.E., of Kasimbazar presided.

The president in the course of his address referred to the political atmosphere of India in the last year which was not only very electric, but was enshrouded with a heavy mist. Between a raging and a tearing agitation to spread the gospel of non-co-operation on the one hand and the Mahomedan agitation over the Treaty of Sevres on the other, they had a very disquieting time. At the top of these troubles, the Govt. of India and the Provincial Governments found themselves, owing to depressed trade and business and to diminished revenues, in a position of extreme financial embarrassment. In spite of the imposition of some very heavy taxes, there were still nearly ten crores of rupees of uncovered deficit in the Imperial Budget of 1922-23. In Bengal they were face to face with a proportionate deficit, and the local Government were compelled to impose some fresh taxes on racing, stamps and amusements. With the victory of Turkey and Angora in Asia Minor, Smyrna and Eastern Thrace, and with the reconsideration of the sovereignty of this Asiatic Power in pourparlers at Lausanne, and also with the abdication by the Khalif of all his spiritual and temporal powers, the heat of the Mahomedan agitation in India naturally disappeared. Unfortunately again they found the Musalman mind swinging back to another end of the pendulum. In many parts of the country, they found their Musalman friends arraying themselves with Europeans, defeating the ideal of a common nationhood, and retarding the development of a composite citizenship and a non-communal civic consciousness.

### NON-CO-OPERATION.

The non-co-operation movement appeared to have lost all its fury and frenzy, and they were returning to a period of normality in Indian politics. That they had turned a bad corner was evident from the fact that a very large number of political prisoners had now been released in many parts of the Empire, and several local Governments had thought it necessary to withdraw the special notifications with which law and order were sought to be enforced from December 1921. The propaganda for the boycott of the schools and colleges, of the courts and the Councils, and of the abandonment of titles, honours and services under the Crown, was soon found out to be a very large order, and had to be dropped.

They felt bound to recognise at the same time that the non-co-operation propaganda had not altogether been a barren and sterile movement. They owed to it a strong stimulus to the development of their political individuality and to their rising to the full stature of their nationhood. The non-co-operation movement had, at any rate, not only succeeded in reducing the nation's drink bill and its law expenses, but had also increased their respect for their womanfolk and drawn their attention to the lowly condition of their depressed classes.

#### RETRENCHMENTS

Last year had been a year of great hope and promise and the President thanked the efforts of Lord Inchcape's Committee and to the Provincial retrenchment committees, and that they were no longer wallowing in financial morass. The night of depression had gone, and day light was in sight; and, before the next year went round, their local Government and the Government of India hoped to be financially out of the wood. When their finances and their credits were restored, they would be able to urge the Government to carry out large schemes for the promotion of primary and secondary education, and for the development of public health, sanitation and industries.

#### BENGAL TENANCY AMENDMENT.

The President referred the question of Bengal Tenancy Amendment Bill which had been drafted by a Government Committee and published in the Gazette. This bill had a family likeness to another bill under consideration of the Legislative Council of Bihar and Orissa, and both these affected vitally the interests of the landlords and the tenants in these provinces. It was never a good policy, at any rate, to rob Peter to pay Paul. No one would object to the interests of the Agriculturists and the Cultivators being duly protected by legislation. But this should not be done by depriving the landlords of the rights and privileges which they had enjoyed since the days of Lord Cornwallis.

In conclusion, the Maharaja said that they had a very poor representation of the talent, patriotism, and public spirit of the province in the Bengal Council and their representation was still poorer at Delhi and Simla. He hoped that their Association would take steps to provide for an adequate representation in the Council Chambers of Calcutta and Delhi, and to see that the Reforms were not allowed to be wrecked by any Sinn Fein or Bolshevik ideals on the one side and by vile and venal co-operation on the other.

The annual report was then adopted and the accounts were passed.

After the office-bearers and the members of the new Managing Committee been elected for the ensuing year, the meeting terminated with the usual vote of thanks to the chair.

## ANNUAL MEETING OF THE Burma Chamber of Commerce

*RANGOON—8TH MARCH 1923*

Speaking at the annual general meeting of the Burma Chamber of Commerce held on the 8th March at Rangoon Mr. A. B. Ritchie, the president said :—

The past year had proved one of unusual importance for the province and had opened a new chapter in the history of the country. He alluded to the Royal visit. They yielded to none in their pride and gratification. The importance of the visit, timed as it was, could not be exaggerated. The overcasting clouds of doubt were removed and a new and clear atmosphere of understanding was introduced without which it would have been quite impossible for this province to have achieved all that it had achieved during the past year. His Royal Highness had been described as the most able diplomat of this century, but it was not diplomacy in the sense of the word as they were accustomed to understand it. His Highness evinced unmistakeable interest and natural pleasure in meeting and talking with every one which reassured the people of this country that the Britishers were out here to help the people much as they could towards shaping their own destiny. He voiced the desire of all when he said His Highness would fulfil his intention of visiting them again.

Alluding to the departure of Sir Reginald Craddock, Mr. Ritchie said no Lieutenant-Governor was perhaps so misunderstood or unappreciated in the initial years as Sir Reginald. That was due to misunderstanding, possibly faults on both sides. But on the rolling away of doubts and suspicion Sir Reginald appeared in his true light as the most fearless and upright champion of Burma and her people. He alluded to Sir Reginald's activities and removed wrong impressions about his attitude towards commercial communities.

He welcomed Sir Harcourt and said his personal interest in the work and activities of all the communities had in no way abated since he was with them before. 'But at the same time,' he said, 'we are all inclined to look far too much to our Governor who, as I have already said, is in a very different position to that of a Lieutenant-Governor. Personally I look upon the influence of a Governor of any province as that of an interested referee who will not otherwise interfere with the game or players. Now this

game, if I may call it as such, is one of extreme interest to us all and in which we must all take an active share.'

After alluding to the reforms which were started well and the radical change in their municipal administration, Mr. Ritchie alluded to the work of their representative on the Council of State. He said that Sir Edgar Holberton who had accepted an appointment at Calcutta had intimated his willingness to act as their representative till the end of the present session. After thanking Sir Edgar Mr. Ritchie said, 'Subjects of legislation directly affecting this province and which are debated in the Council of State have been few. But who can say that they will not be many and of importance to us in future? In spite of the manner in which we are handicapped geographically in comparison with other provinces in India it must not be forgotten that we are still a province of India and so long as we continue as such we cannot remain unrepresented in the Councils of India.'

#### SALT-TAX SUPPORTED.

Dealing with the Indian budget, Mr. Ritchie said Sir Basil Blackett's explanation of the present financial status of India was not a very pleasant reading. But, as he indicated, the future outlook was not one devoid of any hope. Now that the Government of India had learnt the lesson of retrenchment and economy it should be possible in future to balance the income and expenditure without further taxation and perhaps even to realize a surplus. For the present the Government of India were wisely taking no chances and the deficit shown in the budget was to be made good by a form of taxation which, however unpopular it might be in certain quarters, was not inequitable. 'I refer to the increase of salt tax, which your committee through our representative on the Council of State strongly supported last year, but which was unfortunately then thrown out. Any other form of taxation at the present time upon the trade in this country is impossible and would merely result in reduced income to Government. I make bold to say that if the Government of India would only perfect their organisation for collecting taxes which are at present on the statute book, more especially the income-tax, they would in a very short time improve the financial position in such a manner as to free us from all anxiety in future.'

#### OPPOSITION TO FULL PROTECTION.

Alluding to the Fiscal Commission's report Mr. Ritchie said, 'In fact the policy of protection with discrimination which the Government have now adopted is very largely a continuation of the policy of past under a different name. The danger in future will lie in the whittling down of those reservations around which this policy of protection is hedged and greater care will require to be taken to ensure that the interests of the majority are not prejudiced

for the interests of the few who are more capable of voicing their views. I still remain of the opinion that for a country like India, which is so largely dependent upon her agricultural wealth in trading with other countries, the ultimate goal to be aimed at is a policy of free trade. But in the meantime some consideration must be given to the aspirations of the people and the possibilities which may accrue from industrial growth, and for this the policy adopted will do.'

#### TRADE PROSPECTS.

As regards trade prospects Mr. Ritchie said, 'There has been no sudden reaction, but a slow though steady improvement in the stability of our trade with other countries. More recently there occurred a set-back due to one of our allies, France, attempting to secure from Germany by force what she considered she could not otherwise secure by patience. Whether or not France will gain anything by her independent action time alone will show, but of one thing I feel sure. If France persists in pushing her present policy to the bitterest end, she will force Great Britain in self-defence to act independently also and in a manner which cannot but ultimately injure herself. Let us hope that before long wiser counsels will prevail and bring about a better understanding which will permit of all countries in Europe settling down in an honest endeavour to improve the interchange of trade by which means alone the present chaotic conditions can be altered. I believe myself that this time is not very far off and that during the present year we shall see in other countries that improvement in trade which is already apparent in Great Britain. In the meantime we here must all put our houses in order and by retrenchment and economy make our needs fit in with the conditions which may be ruling at the time. We are all of us, I think, at present inclined to pitch our standards too high in the hope that the revival which we have all been looking for so eagerly will come quickly. For our own sakes I hope it will not be so but that the revival will be a steady and permanent one. We have had sufficient of booms followed by the inevitable slumps.'

## ANNUAL MEETING OF THE U. P. Chamber of Commerce

*CAWNPUR—28TH FEBRUARY 1923*

The annual general meeting of the U. P. Chamber of Commerce was held on the 28th February afternoon, Rai Bahadur Lala Bishambhar Nath M.L.A., presiding. The attendance of members was fairly large.

The president in the course of his speech said that things in their broader aspects had not altered very much. The situation in Europe was as bad as it was and trade continued dull. The problems of peace had proved more difficult than the problems of war. Out of the Great War arose reparations, out of reparations may arise another great war. In spite of grave warnings from its friends France had taken a plunge and put into execution its threats of occupation of the Ruhr. If the object of this drastic step was really to obtain reparations, then there was no longer any doubt that that object had failed and proved to be a case of the goose and the golden eggs, and undoubtedly this act of France was fraught with disastrous consequences to the trade, commerce and industry not only of Germany and Europe but of the world at large. England disapproved of this action of France, and America, towards which all eyes were turned, was gravely shaking off her head and murmuring something about the Munro Doctrine.

Turning to the East, he said that the Lausanne Conference had ended in a deadlock and though it was difficult to predict future events the war-weary Europe would not now rush into another armed conflict. He expressed a hope that saner counsels would soon prevail, that the various problems would be solved in the spirit of the ideals avowed by the victorious nations before victory was achieved and that the peoples would amicably settle down to the ways of peace and concentrate on the reconstruction of Europe.

Reviewing the trade and exchange conditions, he said that under the conditions described above the economic outlook was highly uncertain and the exchange conditions were largely affected by the reaction to the political events. Referring to retrenchment, he said that no true solution of the financial problems would be possible unless the Inchcape axe is made to descend heavily on the military expenditure and unless this expenditure were regulated according to India's capacity to pay and not, as hitherto, according to the British General Staff's notions of imperial defence and ambitions of imperial aggression. Of this there was hardly any hope so long as the Army Department continued as a mere annexe

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of the British War Office. As to the fiscal policy, he said that he was entirely opposed to Imperial preference in any shape or form. It is important to know in this connection that the general belief among the Indian Intelligentsia is that, left to themselves, the Government of India would favour a policy of protection. If the Government did not believe in that policy but had accepted it because the Commission unanimously recommended it, because the Assembly might otherwise have accepted the original resolution of Mr. Jamnadas Dwarkadas and because of the wrong public opinion on the question at the present moment then, the matter assumed a somewhat different complexion. It came to this: the unconvinced executive, responsible to the Legislature considered it expedient for the time being to accept the policy outlined in highly vague and elastic formulas. He reiterated the Chamber's view in favour of State management of railways and laid stress on the fact that so long as the railway budget remained dependent on the exigencies of the general finances no permanent improvements in the railways were possible.

He then referred to the deplorable state of affairs in the local municipality and the improvement trust.



# ANNUAL MEETING OF THE Chittagong Chamber of Commerce

CHITTAGONG—1ST MARCH 1923

The Annual General meeting of the Chittagong Chamber of Commerce was held at Chittagong on the 1st March. Mr. Leishman the President in the course of his address said :—

" We can congratulate ourselves that at the present moment Chittagong is in a much more peaceful and orderly state than it was at the time of our last annual general meeting, and I think that as President of this local Chamber it is suitable that I should congratulate the Local Government on the firm and tactful measures which they have taken to secure peace and quiet in this division at any rate. I trust that this state of things will continue and that the Chittagong Civil Guard which has now been disbanded will never again have to be revived.

" To turn to the trade and the Port: the year under review has, I think, on the whole, been rather a better one than at first it seemed probable. Tea clearances have continued on a satisfactory scale and the recent rise in prices has done much to enable the tea industry to recover from the hard times through which it has been passing through recent years. I can only hope that this state of affairs will continue and that tea planters will be able to surmount their labour difficulties and pluck their leaf without any great obstacles being put on their way.

" Shipments of jute have improved considerably, although our clearances are not yet up to pre-war times. Last year two steamers berthed at the jetties on account of the American and Indian Line Branch Service and several smaller parcels of American jute for transshipment have been taken by "Clán" Line steamers to the Madras coast, while jute clearances to Dundee have been in excess of what was at first thought probable.

" The import of salt has shown a distinct improvement, and we are at present experiencing considerable difficulty owing to the paucity of "Golah" accommodation while the old "golabs" at Sadarghat and in the Custom House compound are badly placed and inconvenient to bounders.

" The imports of general cargo show, I think, a slight increase and shipments of corrugated iron and railway materials have recently tended to swell our Customs returns.

" The coasting steamers of the B. I. S. N. Coy. Ltd., and A. S. N. Coy., Ltd., continue to ply as before while the tankers of the B. O. C. and the Indo-Burma Petroleum Co., Ltd., are ever busy bringing up

oil from Rangoon and the Standard Oil Coy.; have started small agencies at Chandpur and Chittagong under Calcutta management, since I last addressed you.

"The Licensed Measurers' Department received a severe setback when the Tea Association decided that tea boxes were no longer to be measured at the port of shipment but at the port of discharge. We have had in consequence to reduce our staff, but our earnings from rice weighments and jute measurements have been quite appreciable as you will see from the Annual Report which has been circulated and which forms one of the items of business before us to-day.

#### CHITTAGONG PORT'S DEVELOPMENT

"Mr. Corcoran and myself once again represented you at the Annual Conference of the Associated Chambers of India and Ceylon held in Calcutta on 8th and 9th January last, when I moved the following two resolutions which were both carried unanimously:—  
 "(a) That the Government of India be moved immediately to declare their policy with regard to the future financing and administration of the Port of Chittagong. (b) That the Government of Bengal be approached with the request that they should make full enquiry into the necessity for improving the facilities of the salt trade of Chittagong to enable them to represent to the Government of India the particular necessity for the improvement of Salt Golah accommodation."

"The Bengal Chamber supported our case with reference to Salt Golah accommodation, and I have since received Mr. Donald's assurance that this matter is receiving attention of the Local Government.

"On the 26th of July last Lord Lytton paid his first visit to Chittagong, accompanied by Her Excellency, and in reply to addresses presented by the Port Commissioners, this Chamber and other local bodies, he spoke most sympathetically about Chittagong and its Port's needs; since then His Excellency has held a meeting at Government House, Calcutta, on 15th December last, at which I was representing your interests and Commander Withers and Mr. G. Anson Bayley were the other two present from Chittagong. Subsequent to this meeting a deputation met the Hon. Mr. C. A. Innes, C. S. I., C. I. E., at Delhi on 10th February and on this occasion I represented the Chamber and the Port Commissioners and Commander Withers was there in his capacity as Port Officer, while Col. Huddleston, C. I. E., the Managing Director of the Assam-Bengal Railway Co. Ltd., and Mr. C. Anson Bayley represented Railway interests. The results of this deputation have not yet been made known to us, but I think I can say this that in the comparatively near future, I am hopeful that the Chittagong Port Commissioners as a reconstituted body with a whole-time Chairman and better railway representation will be making more cogent and com-

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bined efforts to increase the trade of Chittagong, till our Port will assume that prominence which its geographical position undoubtedly merits.

#### **RAILWAY AND WAGON FACILITIES**

"I mentioned in March last year the desirability of the A. B. Railway taking over the Dacca-Mymensing section of the E. B. Railway." From the latest information however, it would appear that the Government of India have again decided to allow the existing arrangement to stand. This Chamber has consistently supported the proposal for the transfer, and if this is the final decision of the Government, it is much to be regretted. It is understood that the A. B. Railway have been supplied with funds to provide rolling stock and to improve the facilities generally for dealing with passengers and goods traffic. This is satisfactory, and so far as the trade of our Port therefore is concerned, there is no likelihood now of there being a shortage of wagons. The construction of Katakhal Lala-Bazar Railway is now nearing completion, and it is hoped the branch will be opened for traffic next month. I am also informed that there is a possibility of a short extension to the Mymensing-Bhairab-Bazar Railway being carried out in the near future, so that the coal, limestone and timber in the Garoh hills near Siju can be tapped; there is no doubt that this extension will, if decided on, directly benefit the trade of the Port. The A. B. Railway has also advised the Chamber that a Local Advisory Council is to be formed, and the Chamber has been asked to nominate a member, and this request forms part of the business before us to-day. The function of this Council will be to advise the Railway Administration on matters connected with rating and transport of passengers and goods and will, it is hoped, enable the public to be made more closely acquainted with the difficulties met with by the Railway in supplying the public needs and also for the Railway to be better acquainted with public requirements.

"On the concluding day of the recent Conference of the Associated Chambers in Calcutta, the Chittagong Chamber was asked to elect a Deputy President for the Associated Chambers for the current year, and it was also decided that the Presidentship of the Associated Chambers and the Secretaryship should be transferred from Calcutta to Bombay. My Committee have been good enough to nominate me as the Chittagong Deputy President, and I can assure you that I am very conscious of the honour done to me; at the same time I regard this not so much as a personal tribute, but I rejoice to think that the more influential Chambers with large voting powers which represent the major parts of India, Burma and Ceylon are beginning to realise that Chittagong, no body's child, is now really destined to make headway, and in due course to become a major port itself.

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Section II

National Congress  
& Conferences



THIRTY-SEVENTH SESSION OF  
**The Indian National Congress**

*GAYA, 26TH. DECEMBER, 1922*

**Chairman's Address**

In welcoming the Delegates, the Chairman of the Reception Committee, Mr. Brjkishore Pershad addressed the Congress in Hindi. The following is an English translation of his speech.—

**BROTHERS, SISTERS AND REPRESENTATIVES OF THE NATION,**

It is a supreme moment in my life when I have been privileged to offer you, on behalf of the people of Behar, a cordial welcome to the holy city of Gaya. I am conscious of the fact that the preparations that we have made for your reception are imperfect in various ways and that we have been unable to arrange for those comforts with which you were provided in other provinces. We are lacking in experience, our province is proverbially poor, and obstacles have been deliberately put in the way of our collecting funds, as a result of which we have not been able to get all that we expected. I, therefore, trust that you will not mind our shortcomings. I may assure you that our heart overflows with feelings of love, esteem and affection for you. I hope, gentlemen, you will earn our lasting gratitude by graciously accepting the humble offerings that we have laid at your feet.

Gentlemen, it is perhaps known to you that the hallowed spot where Gautama Budha attained his supreme enlightenment and by which reason it has come to be known as Budh Gaya, is only at a distance of three miles from where we have met. I regard it as a happy augury that in the wise dispensation of Providence we have been brought together at the same sanctified place to deliberate on the present situation, to devise means for the liberation of our Motherland and to renew our determination to serve and sacrifice. It was in this province that Mahatma Gandhi, on his return from South Africa, commenced work in accordance with his own method and principle. That method is clean, straight, pure and open. It is calculated to make you self-reliant and self-respecting. You cease to depend on others and learn how to stand on your own legs. The problems that baffled you once become easy of solution. By staying for about a year in Champaran, Mahatmajai put an end to the long-drawn agony of its suffering tenants and released them from the oppression of the European planters. As soon as he set his foot on its soil, he had to come in collision with the bureaucracy. But Mahatmajai triumphed, and they had to confess defeat.

Before 1920, the activities of the Congress were confined to passing resolutions, sending memorials to the Government and agitating in the press. It was this method which Sir Ashutosh Choudhury once characteristically described as "Political Mendicancy." People generally had come to realise the futility of the method, but no one could devise a new and more effective substitute. It was left to Mahatma Gandhi to initiate a departure from the ancient lines by persuading the Congress to accept the policy of Non-co-operation as the sole means to achieve its cherished ends. His message of Non-co-operation was really a re-affirmation, albeit in a different form—of his well-known method and principle, to which reference has already been made.

You and I know so well the record of its achievements. What could not be done during the last 50 years, Mahatmaji was able to achieve through this Congress within the limited space of a year and a half. The general awakening in the country, the enthusiasm that pervades the people, the realisation by them of the grim reality that the system of Government that holds sway on them is really foreign in its character and is steadily driving them to perdition, the spirit of fearlessness, independence and self-reliance that they have shown, the composure with which they have borne physical sufferings in the cause of their country and religion, and the cheerfulness with which they have marched to the prison house, looking upon it as a pilgrimage to the temple of the Goddess of Liberty—all these are matters of history and need not be recounted. Non-co-operation has entirely transformed the national life. Political agitation has ceased to be a pastime of holiday-makers, and has become a serious feature of national service, absorbing all the energy and devotion of our leaders and fellow-workers. The introduction of the element of purity and spirituality in our political life is the work and glory of Mahatma Gandhi. No pure and enduring results can be achieved through dirty, crooked and impure methods. The distinction that was sought to be drawn between private and public character has been proved to be artificial and baseless. Gentlemen, continue your faith in Mahatma Gandhi, for he has shown you the right path.

#### NON-CO-OPERATION

• Now, I desire, with your permission, to say a few words about Non-co-operation which the Congress has adopted as a means to attain its end. The programme of Non-Co-Operation which the Congress has put before the country has two aspects:—(1) Positive or Constructive, (2) Negative or Destructive. Of these two the positive or constructive aspect is essential, for if we concentrate our attention on it, the other and the negative aspect is realised of itself. But if we focus our energies only on the destructive or negative aspect, we shall not be able to visualise the real, which is the constructive aspect of the movement and can never hope to reach our goal. Many of our fellow-countrymen have not clearly

grasped this fact. Therefore, I propose to dwell on it at a little length. What was the real purpose of Mahatmaji and of this Congress in advocating the boycott of Councils, boycott of law courts by lawyers and litigants, boycott of Govt. and Govt. aided schools and colleges and the boycott of foreign cloths? The object underlying the boycott of councils was that the people should keep themselves aloof from them so as to make it clear to all concerned that these councils are really sham institutions and do not represent the nation, and that we should not allow ourselves to succumb to their glamour and waste our precious time and energy over them, but that by remaining outside, we should devote ourselves to other and real national work. Mahatmaji or the Congress never thought that the resolution with regard to the boycott of councils was intended to create a situation in the country in which no voter would vote and no candidate seek his election, for that would have been an impossible feat. Boycott of this character would strike even a school boy as absolutely impracticable. Men of all varieties are to be found not only in this unfortunate country but all the world over. Those of you who are familiar with the rules of election, will easily appreciate the fact that elections can take place with a very small number of voters and sometimes without any voting—when there are as many candidates as there are vacancies to be filled up. Nobody can prevent that state of things. Now, it must be clear to you that the object of boycotting the councils which had been rejected by the nation as worthless, was two-fold:—(1) Firstly, to expose their pretensions of being representative institutions, by making the people at large abstain from participating in the elections thereto, and (2) Secondly, to enable those who intended to stand as candidates to devote themselves to the genuine service of the country. On the same principle, it was never contemplated by the Congress that pleaders should leave their courts, and students their schools and colleges only to quietly retire to their homes. This alone could not further our plan of work. The object of the Congress was that after severing their connections with the British courts, the lawyers and litigants should apply themselves to the establishment of panchayets to settle private disputes, for it was inconceivable that the litigious propensity in our people would all at once be completely eradicated. Similarly, it was intended that national institutions should spring into existence to give proper training to our boys who left institutions connected with the bureaucracy. In short, the fundamental basis of the programme of non-co-operation was that with the withdrawal of co-operation with the institutions maintained by the Government, we should also be able to establish our own in their places and the successful organisation of our institutions would eventually result in the break-down of the administrative machinery. Our activities, in so far as they relate to the cutting off of our association with the Government, represent the negative aspect, and the establishment of our own institutions in place of those of the Govern-



ment, the positive aspect of non-co-operation. Thus Charka, Khaddar and Swadeshi are the positive aspect, and the boycott of foreign cloth the destructive aspect of non-co-operation. If I were to attempt to describe in one word the nature of the work of organisation that has to be done in this connection, I will say that it is nothing else than the organisation of the entire country. This work embraces within its fold all the varied forms of the positive aspect of our movement. Wherever the work of organisation has been taken up in right earnest, it has proceeded on these lines.

Firstly, people in towns and villages are enrolled as members of the Congress. Then a Panchayet or Committee is formed in every village or a group of two or three small villages. Members elect the office-bearers of such Panchayet and Committee according to their requirements. Now, this Panchayet or Committee, functioning through its office-bearers, looks after the affairs of the village, such as:—(1) Education, (2) Health and Cleanliness of the village, (3) Settlement of local disputes, (4) Spread of Charka, Khaddar and Swadeshi, (5) Fostering and development of unity among Hindus, Mahomedans and other communities, (6) Uplifting of the suppressed or depressed classes, and (7) Raising of necessary funds for these purposes through the system of MUTHIA or in any other way. The village Panchayet is the real foundation of the edifice of Swaraj. Above these village committees there is the Union Committee, which is elected by the village committees lying within that particular union. The village committees are, as a matter of fact, knit together through the circle or union committee, which guides them in the discharge of their functions, supervises them, and even undertakes work on its own initiative. In this way Sub-divisional Taluk, District and Provincial committees are formed and do these very works on an extended scale.

I would ask you if you can ever hope to attain Swaraj if you do not carry the masses with you. It is only a truism to say that you can not. Then what is the means of enlisting their whole-hearted support to this movement? To my mind there is no other course than the one I have sketched above, that is, the work of village organisation. So long as we do not spread our activities to villages, and live and move amongst the masses and show some tangible results of our labours and thus make them realise what we have done for them, we cannot expect them to steadily and intelligently follow our lead. Occasional lecture-tours or repeated visits for the purpose of collecting money from them will not serve the purpose we have in view. To establish living and virile organisations in villages, taluks, districts and provinces is to lay the foundation of SWARAJ, broad and deep, and also to construct its frame-work. As our organisations grow in strength, those of the bureaucracy will weaken, and in course of time will crumble to pieces. It is only when the masses are entirely and whole-heartedly with us that no one can dare to resist our demands, and we can, if necessary, effectively employ that last weapon in our armoury, Civil Disobedience.

So long as we are unable to make these organisations living realities, and so long as they are not in a position to work with ease and regularity, it is useless to think of Civil Disobedience. Civil Disobedience, we must fully realise, Gentlemen, means complete outlawry. If you propose to embark upon it without having made the requisite preparations, the question will have to be answered as to what arrangements you have made for taking up the reins of administration in your hands, for you must bear in mind that human nature will not suddenly change, and theft, robbery and violence will not disappear from the land. The probability is that the lawless elements, that are to be found in every society, will not fail to avail themselves of the opportunity afforded by the prevailing excitement to create disturbances of all conceivable kinds. Is it then that you will think of suddenly ushering into existence a well-equipped organisation to deal with the situation? Gentlemen, it is only when you have built up such an organisation from before, that you will be in a position to tide over the difficulties that will present themselves to you and ensure the freedom of the country from such lawlessness and disorder.

Through such organisations our programme can be easily worked. If our village committees are firmly founded, the sale of liquor will stop in a day, Swadeshi and Khaddar will receive an immense impetus, National schools will increase in number and quality, and the boycott of Government schools will also become easier and more effective. Local disputes will be easily adjusted through the village Panchayets and the popularity of the British courts will decline in proportion to our success in that direction. No real work can be done by mere demonstration. From the very outset, the constructive programme has been the integral feature of our movement. It was not at Bardoli that it was first conceived. The fact of the matter is that excepting two or three provinces, none have devoted any attention to this programme of solid construction and their entire time and energies have been expended in picketting and other demonstrative and, consequently, fruitless activities. So, when the Bardoli Resolution was announced, those provinces raised an outcry and some of our leaders also expressed their dissatisfaction at it. It did not rest there. I am prepared to state that a great injustice was done to Mahatmaji at the meeting of the All India Congress Committee which was held at Delhi immediately after the adoption of the Bardoli resolution. Gentlemen, for the sake of truth, put the question to yourselves whether you have given a fair trial to this programme. If you have not, is it right to declare that you have no faith in it and that it will not lead to the establishment of Swaraj, and, if at all, it will take an unconscionably long time? You have not yet worked this programme, but you are prepared to argue that it does not commend itself to the masses and that our workers are disheartened and need some stimulant to rouse them up. If I may respectfully say so, you are entirely mistaken in this matter. Gentlemen, I have had some opportunity of moving and working amongst

the people in villages and I can tell you, from personal experience, that they are not at all depressed and that their enthusiasm continues unabated. The fact is that a feeling of despondency has crept over the spirits of our workers and, you will pardon me for saying so, some of our leaders also have been affected by it and, therefore, they have set about searching for a stimulant. In my humble opinion, there are two reasons for this depression—firstly, that they are under the impression that Swaraj is capable of easy attainment and that there is a short-cut to it, and secondly, that they have perhaps regarded this programme as not deserving of much attention on their part, and so they never put faith in it. They have persuaded themselves to believe that we shall take a long time to reach the goal through the course chalked out by this programme. Therefore they say that somehow or other—whether we are prepared or not that does not seem to trouble them—we must come into grips with the Government. If we can not do any thing more, we can, at least, begin individual Civil Disobedience on a large scale. It is also said that a large number of volunteers may be enrolled with a view to start picketing, to hasten a final trial of strength between the people and the Government. I desire to tell my friends, who are of this view, that they are labouring under a great delusion. Swaraj can not be attained by resorting to such picketing or individual Civil Disobedience. It is not such an easy matter as we fondly imagine. To succeed in this struggle, we require the indomitable will of a 'Bhisma' and the irrepressible spirit of a 'Bhagirath.' So long as the masses do not lend their whole-hearted and intelligent support to our movement, our efforts can never be crowned with success. And so long as we are not able to cover the country with a net-work of organizations and make of our various village unions, taluks, district and provincial committees effective and active institutions, in the working of which we shall have to constantly associate ourselves with the masses, the latter can never be with us. It is also a mistake to presume that the work of building up of these organizations will be a tedious and weary process. Gentlemen, when you have not commenced the work as yet, what justification is there for your thinking that it will take a long time? Please ask your Gujrat and Andhra friends and they will remove your doubts about it. If only our leaders and workers concentrated their undivided efforts on prosecuting the constructive programme, we would easily realize how successfully this work could be carried on. To give effect to this programme on an intensive scale and to construct and consolidate the above organisations is really to evolve our own system of Government. It is only when you have applied yourselves to this work that you will realise the beauty and the utility of it. You will become one with your people, and that means an irresistible strength. Finally, if circumstances demand it, you can, with a little effort, launch upon Mass Civil Disobedience. Gentlemen, when we are out to achieve Swaraj, what does it matter whether we achieve it in a year or two or even five years? Let us

only unflinchingly pursue our course, determined to stop not till the goal is reached.

### COUNCILS

Now, with your permission, I would like to make a few observations on the question of Council Entry. But before I do so, I am constrained to observe with pain that there are some friends with us whom the purifying influence of this movement has left untouched and who have completely failed to imbibe the message of Mahatma Gandhi. Gentlemen, are our revered leaders to be treated with contumely, because they have expressed themselves in favour of going to the Councils? Are they to be calumniated, because they do not see eye to eye with us on this particular question? I had heard in Calcutta, and the perusal of daily newspapers only serves to confirm the information, that some gentlemen, who are opposed to Council entry, have taken to vilifying our leaders and other workers who hold different views on this question. For myself, I can not conceive of a more abominable conduct. Friends, do not flatter yourselves that you continue to be great patriots while you proved faithless to the best interests of the country. I feel no hesitation in saying that you have shown by your conduct that your professed allegiance to the principle of Non-co-operation is but a pretence and you are not worthy enough to have the privilege of touching the feet of these distinguished servants of the nation. I would also avail myself of this opportunity to emphasise that our attitude, even towards those who are avowedly opposed to our movement, should be one of love and esteem. Honestly, truth and wisdom are not the monopoly of non-co-operators. It behoves you to listen to all those, who think differently from you on any knotty question, with special attention and respect, and to calmly and dispassionately consider their view-points. For the sake of the country which you love, pray, do not be intolerant. If you exhibit an attitude of intolerance and self-sufficiency in your relations with others, rest assured that our entire work will come to naught.

Now, let us consider the utility, if any, of entering the councils, or standing for elections. Some of our revered leaders and co-workers are of opinion that as the country is not prepared for Civil Disobedience, and there is a general depression among the workers and consequent slackening in Congress work, a fresh stimulant must be discovered. In these circumstances they believe that an attempt to capture the councils will provide the needed stimulus, and the country also will in this way get an opportunity of working to Civil Disobedience, which will finally end in the establishment of Swaraj. It is also said that election to the councils will necessitate going to villages, and that will enable us to work the constructive programme of non-co-operation. In my opinion, this process of reasoning is based on incorrect premises. I have just told you that there is no lack of enthusiasm amongst the masses. The number of workers has undoubtedly dwindled.

But even now we can secure the services of many willing and selfless workers, who will be prepared to work in villages. In those provinces where there is no dearth of money, as in Gujrat, work is proceeding with the usual vigour. I have already pointed out to you that without fulfilling the constructive programme, we can not expect to command the unfailing support and sympathy of the masses, nor can we successfully embark upon a campaign of Civil Disobedience. In some provinces this programme, as I have observed before, has not been tried at all, and yet it is being seriously contended that the people have no faith in it or that it will take a long time to attain Swaraj through this means. Now, let us examine how far entry into the councils or contesting elections to them will help and advance the work before us. It is said that in the course of their election campaign, workers will have occasion to proceed to villages, and thereby get an opportunity of working the constructive programme. I have already told you that to successfully carry out that programme, flying visits to villages will not do, but that it is essential that the workers must go and live amongst the people. It passes my comprehension why they should not at once betake themselves to villages, but choose to wait for the appearance of a pretext, in council elections, to go and work the constructive programme. The chief pre-occupation of people, visiting rural areas for purposes of election, with their friends and agents, will naturally be canvassing of votes. And, be it remembered, that when you stand for election your opponents will not be sitting idle. They may very likely count upon the resources and the influence of the bureaucracy in their contest with you. For full one year the poor voter will continue to be a mute and helpless victim to this party warfare! May I ask you what work of construction can possibly be done in these circumstances? In my opinion, instead of being a help, council elections will be a real hindrance to the furtherance of the constructive programme. As a matter of fact, work of this nature will be rendered absolutely impossible. Therefore, if you do not allow a diversion of your energies into this channel and vigorously prosecute the constructive programme, you will soon be able to claim a record of solid and substantial work to your credit, and will succeed in winning over the masses to your side, and also be in a position to strengthen the organisations, to which I have already referred. That is the direct road to Swaraj.

There is every likelihood that council elections may breed strife in the ranks of the Congressmen themselves. So many will offer themselves for election that one may be pardoned for entertaining a genuine apprehension that they may ultimately begin to fight among themselves. The Congress committees are not yet strong enough to enforce rigorous discipline among the members. You know how our people begin to quarrel and go to the length of forming factions even in matters of election to the offices of the president, vice-president, secretaries, of the various Congress Committees as also in

the election to the All-India Congress Committee. Such a spates hamper the work of the Congress.

The British are a most diplomatic people. You know that whenever some question of war or peace arises in any part of the world, England, although she may have absolutely no interest in the matter, assumes the role of the sole custodian of the interests of humanity and civilisation and intrudes herself upon the parties and whichever of them may win or lose, she never fails to make out something for herself by way of brokerage. The council is a peculiar institution. Almost all the highest officials of the land are members of it. All their endeavours are directed towards one end. There is nothing to wonder at it, when we remember that the bureaucracy does not scruple to do any thing to keep its hold on the country. By throwing the tempting baits of Governorship, Executive Councillorship, Ministership, Presidentship of the Councils, Secretaryship, Judgeship of the High Court, District Court Judgeship and other offices, high and low, and even by holding out prospects of appointments to their friends and relations, they try to entrap our countrymen. This process goes on from day to day and yet we knowingly allow ourselves to be caught in the mesh. It is at the dinner table, in the garden parties, and in the council chamber where they meet us at close quarters that they try to throw their spell over us. Therefore, it is advisable to avoid such points of contact as far as practicable. Some of our friends enquire if the non-co-operation movement has not made us strong enough to resist such temptations. The reply to that is that we continue to be human beings even now, and non-co-operation has not transformed us into angels. We have just seen how during the last elections to the various Congress Committees disputes occurred on purely personal grounds resulting, at some places, in utter dislocation of the Congress work.

Some gentlemen are of opinion that at the present moment the Government does not pay any heed to the members of the councils, because it is known that they do not truly represent their constituencies and that the masses and the country are not with them, but when leaders, like Sri Deshbandhu Das and Pandit Motilal Nehru and others enter the council, "with the nation at their back," they will be able to "dictate their terms" to the Government. In his speech at Calcutta, Mr. Jayakar advanced this argument, and I know that many of us, not quite realising its fallacy, were deeply impressed with it. You will kindly notice that this argument is based on the assumption that the people and the country are with us, and, therefore, the Government is bound to listen to what we say. I have already observed that Swaraj is an impossibility so long as we fail to take the masses with us, and that we must work the constructive programme for that consummation. To work with the masses, to awaken them to political consciousness and to make them fearless and independent is one of the essential features of that programme.

As I have said above, if we succeed in building up our organisations from the lowest to the highest unit and thus link the masses with ourselves, it will not be at all necessary to go to the councils. We shall be able to bend the Government to our will without having had to enter the council chamber. It is because I am anxious that we should carry the people with us that I have ventured to lay stress on the urgency of concentrating our entire efforts on the fulfilment of the constructive programme. Organise the country, go to villages, work with the people and teach them how to work. Make your Congress committees, from the village panchayet upwards to the All India Congress Committee, living, working and powerful institutions. That is the real work to be done for the attainment of Swaraj. Therefore, let this controversy about councils cease to distract our thoughts and energies and let us devote ourselves wholeheartedly to this work. Otherwise, all that has been done so far will be spoiled and Swaraj will begin to recede from our vision, and we shall be relegated to the position from where we had started.

Now, look at it from another standpoint. Suppose you are returned to the council, what do you propose to do there? Some friends say that they will not take the oath of allegiance. Their seats will, in due course, be declared vacant. But they will again stand, get themselves elected and then again refuse to take the oath. This argument, if I may say so, is childish. Do you seriously think that those who run the machinery of administration are so easily gullible? They can at once frame rules making it obligatory on a candidate to take the oath of allegiance, in some shape or other, before he is allowed to stand as such. They can make further rules preventing your entry into the councils. Over and above this, are you and your voters endowed with sufficient wealth and energy to keep yourselves constantly engaged in this perpetual strife? Now, let us consider the case of those who are prepared to take the oath of allegiance. If they are returned in a minority, all their labours will have been in vain. It remains to be seen how far they can hope to be returned in a majority. To be in such an overwhelming majority as to be able to prevent the formation of a quorum is to expect the impossible, because under the present constitution of these councils the number of official and non-official members appointed by the Government is larger than the number required to form a quorum. Now, let us see if you can have a fair working majority. Take any council by way of illustration. The number of official and non-official members, nominated by the Government, and those returned from special electorates, such as mining, planting, commerce,—European, and that of landholders, which is mainly composed of big Maharajas and Talukdars,—is little less than half of the total number. For example, in this province, there are one hundred and three members. Of these, 46 are either nominees of the Government or elected by the special constituencies, referred to above. Thus, there are only 57 seats, which are open to us and our Moderate friends. It is just likely that the bureau-

cracy might stretch its helping hands to the party opposing us. But let us assume that they will do nothing of the kind. Do you think, that of these 57 seats our opponents will not get even 16? My personal belief is that we shall not be able to capture more than 40 seats at the highest. You can very well realise now what sort of working majority it will be. Those gentlemen, who stated in their examination before the Civil Disobedience Enquiry Committee that if the Congress sanctioned entry into the councils, they would easily command a majority, were perhaps thinking only of a majority amongst the elected members of the council and not in the council itself. But I will concede, for a moment, that you will have a working majority to start with. You propose to oppose every measure that may be introduced into the council. Have you ever thought of the consequences that will flow from such a course of conduct? The Government will continue to function through certification and vetoes. They will not experience the slightest difficulty in carrying on the administration. As a matter of fact, their path will be rendered smoother. They can afford to go on without these councils. To say that this action of the Government will lower them in the estimation of the civilised world, and will draw the sympathy of other free peoples to this country in its struggle for freedom is really to confess blissful ignorance. We are a nation of slaves. All independent nations look down upon us with contempt. As a matter of fact, we are not reckoned among human beings. We can not, therefore, entertain any hope of sympathy from them. We have to work out our own salvation. If you go on opposing all good and bad measures in the council, you will create a strange situation in the country. The masses are incapable of appreciating your high philosophy. Suppose a measure dealing with rights of tenants and beneficial to them is brought before the council. Or some question about the construction of a Hindu temple or a Moslem mosque is raised in conformity with the wishes of the particular community concerned. You are bound by your principles to oppose it. But, believe me, this action on your part will inevitably produce undesirable effect on the people and they will at once conclude that you have lost the balance of your minds.

I do not propose to say any thing further on this question, but I would take the liberty of making a personal appeal to you in this connection. When the proposal relating to entry into the councils is debated in this House, you will please listen to the arguments, advanced on either side, with respect and attention, and give them your best consideration. You will not show the slightest discourtesy to any one, or indulge in noisy demonstrations. Above all, it is of the utmost importance that whatever decision the Congress arrives at must be ungrudgingly and unreservedly accepted by the country and all controversies thereafter must cease. As a matter of fact, we should become more united than ever. The times are critical and the enemy is powerful and wary. I assure you, Gentlemen, on behalf of the people of my province, that the decision of the Congress will



be loyally accepted and followed by them. Whatever the judgment of the Congress might be, we shall never allow ourselves to be elated or disheartened. If the Congress resolves in favour of entering the councils, those of us, who believe in the efficacy of the constructive programme and look upon it as the true road to Swaraj, will divide the work under the supervision of the Congress, and devote their whole attention to the carrying out of that programme. And those who are in favour of entry into the councils, following the lead of the Congress, will seek election and give a trial to their programme from inside the Council chamber. We shall never hamper them in their work. That is to say, like two brothers, we shall continue to be the two active limbs of the Congress organisation. If the Congress records its judgment against the council entry, I shall beseech my friends, who are to-day advocating this change in the programme, to forget the present controversy and to earnestly apply themselves to the constructive work. I assure them that they will soon realise, from their personal experience, that that is the real work, which will ultimately secure the freedom of the country.

I shall conclude now, but, before I do so, I propose to draw your attention to an important matter. For the last two or three years, many people, who are unacquainted with the English language, have been attending the Congress as delegates or visitors. Mahatmaji always felt, and he missed no opportunity to emphasise his view, that the proceedings of the Congress and other connected organisations ought to be carried on in Hindusthani, as far as practicable. Therefore, I would beg of those friends, who can speak Hindusthani, to address the National Assembly in that language.

In conclusion, I again offer you a hearty welcome and apologise to you for the many deficiencies in our arrangements.

# THIRTY SEVENTH SESSIONS OF The Indian National Congress

GAYA—26TH DECEMBER: 1922

## Presidential Address

The following is the full Text of the Presidential Address delivered by Mr. C. R. Das, the President-Elect, at the Thirty Seventh Session of the Indian National Congress held at Gaya on the 26th December 1922.

SISTERS & BROTHERS,

As I stand before you to-day a sense of overwhelming loss overtakes me, and I can scarce give expression to what is uppermost in the minds of all and everyone of us. After a memorable battle which he gave to the Bureaucracy, Mahatma Gandhi has been seized and cast into prison ; and we shall not have his guidance in the proceedings of the Congress this year. But there is inspiration for all of us in the last stand which he made in the citadel of the enemy, in the last defiance which he hurled at the agents of the Bureaucracy. To read a story equal in pathos, in dignity, and in sublimity, you have to go back over two thousand years, when Jesus of Nazareth, "as one that perverted the people" stood to take his trial before a foreign tribunal.

"And Jesus stood before the Governor : and the Governor asked him, saying, Art thou the King of the Jews ? And Jesus said unto him, Thou sayest.

"And when he was accused of the chief priests and elders, he answered nothing.

"Then said Pilate unto him. Hearest thou not how many things they witness against thee ?

" And he answered him to never a word ; insomuch that the Governor marvelled greatly."

Mahatma Gandhi took a different course. He admitted that he was guilty, and he pointed out to the Public Prosecutor that his guilt was greater than he, the Prosecutor, had alleged ; but he maintained that if he had offended against the law of Bureaucracy, in so offending he had obeyed the law of God. If I may hazard a guess, the Judge who tried him and who passed a sentence of imprisonment on him was filled with the same feeling of marvel as Pontius Pilate had been.

Great in taking decisions, great in executing them, Mahatma Gandhi was incomparably great in the last stand which he made on behalf of his country. He is undoubtedly one of the greatest men that the world has ever seen. The world hath need of him, and if he is mocked and jeered at by " the people of importance," " the people with a stake in the country "—Scribes and Pharisees of the days of Christ—he will be gratefully remembered, now and always by a nation which he led from victory to victory.

## "LAW AND ORDER."

Gentlemen, the time is a critical one and it is important to seize upon the real issue which divides the people from the Bureaucracy and its Indian allies. During the period of repression which began about this time last year it was this issue which passed itself on our attention. This policy of repression was supported and in some cases instigated by the Moderate Leaders who are in the Executive Government. I do not charge those who supported the Government with dishonesty or want of patriotism. I say they were led away by the battle cry of Law and Order. And it is because I believe that there is a fundamental confusion of thought behind this attitude of mind that I propose to discuss this plea of Law and Order. "Law and Order" has indeed been the last refuge of Bureaucracies all over the world.

It has been gravely asserted not only by the Bureaucracy but also by its apologists, the Moderate Party, that a settled Government is the first necessity of any people and that the subject has no right to present his grievances except in a constitutional way, by which I understand in some way recognised by the constitution. "If you cannot actively co-operate in the maintenance of "the law of the land" they say "it is your duty as a responsible citizen to obey it passively. Non-resistance is the least that the Government is entitled to expect from you." This is the whole political philosophy of the Bureaucracy—the maintenance of law and order on the part of the Government, and an attitude of passive obedience and non-resistance on the part of the subject. But was not that the political philosophy of every English King from William the Conqueror to James II? And was not that the Political philosophy of the Romanoffs, the Hohenzollerns and of the Bourbons? And yet freedom has come, where it has come, by disobedience of the very laws which were proclaimed in the name of law and order. Where the Government is arbitrary and despotic and the fundamental rights of the people are not recognised, it is idle to talk of law and order.

The doctrine has apparently made its way to this country from England. I shall, therefore, refer to English history to find out the truth about this doctrine. That history has recorded that most of the despots in England who exercised arbitrary sway over the people proposed to act for the good of the people and for the maintenance of law and order. English absolutism from the Normans down to the Stuarts tried to put itself on a constitutional basis through the process of this very law and order. The pathetic speech delivered by Charles I just before his execution puts the whole doctrine in a nutshell. "For the people," he said, "truly I desire their liberty and freedom as much as anybody whatsoever, but I must tell you that their liberty and freedom consist in having Government, those laws by which their lives and their goods may be their own. It is not their having a share in the Government, that is nothing appertaining to them. A subject and a sovereign are clear different things." The doctrine of law and order could not be stated with

more admirable clearness. But though the English kings acted constitutionally in the sense that their acts were in accordance with the letter of law and were covered by precedents, the subject always claimed that they were free to assert their fundamental rights and to wrest them from the king by force or insurrections. The doctrine of law and order received a rude shock when King John was obliged to put his signature to the Magna Charta on the 15th of June, 1215. The 61st clause of the Charter is important for our purpose securing as it did to the subject the liberty of rebellion as a means for enforcing the due observance of the Charter by the Crown. Adams, a celebrated writer of the English Constitutional History, says that the conditional right to rebel is as much at the foundation of the English constitution to-day as it was in 1215. But though the doctrine of law and order had received a rude shock, it did not altogether die; for in the intervening period the Crown claimed and asserted the right to raise money, not only by indirect taxes but also by forced loans and benevolences; and frequently exercised large legislative functions not only by applying what are known as suspending and dispensing powers but also by issuing proclamations. The Crown claimed, as Hallam says, "not only a kind of supplemental right of legislation to perfect and carry out what the spirit of existing laws might require but also a paramount supremacy, called sometimes the king's absolute or sovereign power which sanctioned commands beyond the legal prerogative, FOR THE SAKE OF PUBLIC SAFETY whenever the council might judge to be that in hazard." By the time of the Stuarts the powers claimed by the Crown were recognised by the courts of law as well founded, and, to quote the words of Adams, "the forms of law became the engines for the perpetration of judicial murder." It is necessary to remember that it was the process of law and order that helped to consolidate the powers of the Crown; for it was again and again laid down by the Court of Exchequer that the power of taxation was vested in the Crown, where it was "FOR THE GENERAL BENEFIT OF THE PEOPLE." As Adams says, "the Stuarts asserted a legal justification for everything done by them," and, "on the whole, history was with the king."

But how did the Commons meet this assertion of law and order? They were strict non-co-operators both within and outside the Parliament. Within the Parliament they again and again refused to vote supplies unless their grievances were redressed. The king retorted by raising Customs duties on his own initiative and the courts of law supported him. The Commons passed a resolution to the effect that persons paying them "should be reputed betrayers of liberties of England and enemies to the same." There was little doubt that revolution was on the land; and King Charles finding himself in difficulty gave his Royal Assent to the Bill of Rights on the 17th of June 1626. The Bill of Rights constitutes a triumph for non-co-operators, for it was by their refusal to have any part or share in the administration of the country that the Commons compelled the king to acknowledge their rights. The events that followed between

1629 and 1640 made the history of England. In spite of the Bill of Rights the king continued to raise Customs duties, and Elliot and his friends were put on their trial. They refused to plead, and the result was disastrous for the arbitrary power of the king. The king levied Ship-money on the nation. The Chief constables of various places replied that the Sheriffs had no authority to assess or tax any man without the consent of the Parliament. On the refusal on the part of the people to pay the taxes their cattle was distrained, and no purchaser could be found for them. The king took the opinion of the Exchequer Court on the question whether, "WHEN THE GOOD AND THE SAFETY OF THE KINGDOM IN GENERAL IS CONCERNED, AND THE WHOLE KINGDOM IS IN DANGER", mark how the formula has been copied verbatim in the Government of India Act. "may not the king \* \* \* \* \* command all the subjects of his kingdom, to provide and furnish such number of ships, with men, victuals and munitions, and for such time as he shall think fit, FOR THE DEFENCE AND SAFEGUARD OF THE KINGDOM FROM SUCH PERIL,"—again the formula!—"and by law compel the doing thereof in case of refusal and refractoriness? And whether in such case, is not the king sole judge, both of the danger, and when and how the same is to be prevented? The judges answered in the affirmative and maintained the answer in the celebrated case which Hampden brought before them.

I desire to emphasize one point, and that is, that throughout the long and bitter struggle between the Stuarts and Parliament, the Stuarts acted for the maintenance of law and order, and there is no doubt that both law and history were on their side. On the eve of the civil war, the question that divided the parties was this: could the Crown in the maintenance of law and order claim the passive obedience of the subject, or was there any power of resistance in the subject though that resistance might result in disorder and in breaches of law? The adherents of the Parliament stood for the power and the majesty of the people, the authority and "independence of Parliament," individual liberty, the right to resist, and the right to compel abdication and secure deposition of the Crown; in a word, they stood for Man against the coercive powers of the State. The adherents of the Crown stood for indefeasible right, a right to claim passive obedience and secure non-resistance on the part of the subject through the process of law and order; in a word, they stood for state coercion and compulsory co-operation against individual liberty.

The issue was decided in favour of Parliament, but: as it must happen in every war of arms, the victory for individual liberty was only temporary. Though the result of civil war was disastrous from the point of view of individual liberty and though it required another revolution, this time a non-violent revolution to put individual liberty on a sure foundation, "the knowledge that the subject had sat in rude judgment on their king, man to man, speeded the slow

emancipation of the mind from the shackles of custom and ancient reverence".

The resolution of 1688—a bloodless revolution—secured for England that rule of law which is the only sure foundation for the maintenance of law and order. It completed the work which the Long Parliament had begun and which the execution of Charles I had interrupted. But how was the peaceful revolution of 1688 brought about? By defiance of authority and by rigid adherence to the principle that it is the inalienable right of the subject to resist the exercise by the executive of wide, arbitrary or discretionary powers of constraint.

The principle for which the revolution of 1688 stood was triumphantly vindicated in the celebrated case of Dr. Sacheverell. In the course of a sermon which he had preached, he gave expression to the following sentiment. "The grand security of our Government and the very pillar upon which it stands, is founded upon the steady belief of the subjects' obligation to an absolute and unconditional obedience to the supreme power in all things lawful, and the utter illegality of resistance on any pretence whatsoever." This is the doctrine of passive obedience and non-resistance—the doctrine of law and order which is proclaimed to-day by every Bureaucrat in the country, foreign or domestic, and which is supposed to be the last word on the subject's duty and Government's rights. But mark how they solved the problem in England in 1710. The Commons impeached Dr. Sacheverell giving expression to a view so destructive of individual liberty, and the Lords, by a majority of votes, found him guilty. The speeches delivered in the course of the trial are interesting. I desire to quote a few sentences from some of those speeches. Sir Joseph Jekyll in the course of his speech said, "that as the law is the only measure of the Prince's authority and the people's subjection, so the law derives its being and efficacy from common consent; and to place it on any other foundation than common consent is to take away the obligation, this notion of common consent puts both prince and people under to observe the laws. \* \* My Lords, as the doctrine of unlimited non-resistance was impliedly renounced by the whole nation in the revolution, so diverse Acts of Parliament afterwards passed expressing their renunciation, \* \* \* and, therefore, I shall only say, that it can never be supposed that the laws were made to set up a despotic power to destroy themselves, and to warrant the subversion of a constitution of a Government which they were designed to establish and defend" Mr. Walpole put the whole argument in a nutshell when, he said, "the doctrine of unlimited, unconditional passive obedience was first invented to support arbitrary and despotic power, and was never promoted or countenanced by any Government that had not designs, some time or other of making use of it." The argument against the doctrine of law and order could not be put more clearly or forcibly: for his argument comes to this, that the doctrine is not an honest one, if law and order is the process by

which absolutism consolidates its powers and strengthens its hand. I will make one more quotation, and that is from the speech of Major-General Stanhope. "As to the doctrine itself of absolute non-resistance it should seem needless to prove by argument that it is inconsistent with the law of reason, with the law of nature, and with the practice of all ages and countries. \* \* \* And, indeed, one may appeal to the practice of all churches, and of all States, and of all nations in the world, how they behaved themselves when they found their civil and religious constitutions invaded and oppressed by tyranny."

This, then, is the history of the freedom movement in England. The conclusion is irresistible that it is not by acquiescence in the doctrine of law and order that the English people have obtained the recognition of their fundamental rights. It follows from the survey that I have made, firstly, that no regulation is law unless it is based on the consent of the people; secondly, where such consent is wanting, the people are under no obligation to obey; thirdly, where such laws are not only not based on the consent of the people but profess to attack their fundamental rights, the subjects are entitled to compel their withdrawal by force or insurrections; fourthly, that law and order is, and has always been, a plea for absolutism, and lastly, there can be neither law nor order before the real reign of law begins.

I have dealt with the question at some length, as the question is a vital one, and there are many Moderates who still think that it is the duty of every loyal subject to assist the Government in the maintenance of law and order. The personal liberty of every Indian to-day depends to a great extent on the exercise by persons in authority of wide, arbitrary or discretionary powers. Where such powers are allowed the rule of law is denied. To find out the extent to which this exploded doctrine of law and order influences the minds of sober and learned men, you have only to read the Report of the Committee appointed to examine the Repressive Laws. You will find in the Report neither the vision of the patriot nor the wisdom of the statesman; but you will find an excessive worship of that much-advertised, but much-misunderstood phrase "Law and Order." Why is Regulation 3 of 1818 to be amended and kept on the Statute Book? Because for the protection of the frontiers of India and the fulfilment of the responsibility of the Government of India in relation to Indian States, there must be some enactment to arm the Executive with powers to restrict the movements and activities of certain persons who, though not coming within the scope of any criminal law, have to be put under some measure of restraint. Why are the Indian Criminal Law Amendment Act, 1908 and the Prevention of Seditious Meetings Act, 1911 to be retained on the Statute Book? For the preservation of law and order. They little think, these learned gentlemen responsible for the Report, that these Statutes, giving as they do to the Executive wide, arbitrary

and discretionary powers of constraint, constitute a state of things wherein it is the duty of every individual to resist and to defy the tyranny of such lawless laws. These Statutes in themselves constitute a breach of law and order, for, law and order is the result of the rule of law ; and where you deny the existence of the rule of law, you cannot turn round and say, " it 's your duty as law-abiding citizens to obey the law."

We have had abundance of this law and order during the last few years of our National History. The last affront delivered to the nation was the promulgation of an Executive order under the authority of the Criminal Law Amendment Act making the legitimate work of Congress Volunteers illegal and criminal. This was supported by our Moderate friends on the ground that it is the duty of the law-abiding subject to support the maintenance of law and order. The doctrine, as I said before, has travelled all the way from the shores of England. But may I ask—is there one argument advanced to-day by the Bureaucracy and its friends which was not advanced with equal clearness by the Stuarts ? When the Stuarts arrogated to themselves a discretionary power of committing to prison all persons who were on any account obnoxious to the Court, they made the excuse that the power was necessary for the safety of the nation. And the power was resisted in England, not because it was never exercised for the safety of the nation, but because the existence of the power was inconsistent with the existence at the same time of individual liberty. When the Stuarts claimed the right to legislate by proclamations and by wide exercise of suspending and dispensing powers, they did so on the express ground that such legislation was necessary for public safety. That right was denied by the English nation, not because such legislation was not necessary for public safety, but because such right could not co-exist with the fundamental right of the nation to legislate for itself. Is the power of the Governor-General to certify that the passage of a Bill is essential for safety or tranquility or interest of British India any different from the power claimed by the Stuarts ? There is indeed a striking resemblance between the power conferred on the Governor-General and the Governors of the provinces and the powers claimed by the Tudors and the Stuarts. When the Stuarts claimed the right to raise revenue on their own initiative, they disclaimed any intention to exercise such right except " WHEN THE GOOD AND SAFETY OF THE KINGDOM IN GENERAL IS CONCERNED AND THE WHOLE KINGDOM IS IN DANGER," That right was registered in England, not because the revenues raised by them were not necessary for the good and safety of the Kingdom, but because that right was inconsistent with the fundamental right of the people to pay such taxes only as were determined by the representatives of the people for the people. Is the power conferred on the Governor to certify that the expenditure provided for by a particular demand not assented to by the Legislature is essential to the discharge of his responsibility for the subject any different from the power claimed by the Stuarts ? It should be patent to everybody



that we do not live under the rule of law, and the history of England has proclaimed that it is idle to talk of the maintenance of law and order when large discretionary powers of constraint are vested in the Executive. The manhood of England triumphantly resisted the pretensions of "Law and Order." If, there is manhood in India to-day, India will successfully resist the same pretensions advanced by the Indian Bureaucracy.

I have quoted from English history at length because the argument furnished by that history appeals to most people who are frightened by popular movements into raising the cry of "law and order," and who think that the development of the great Indian nation must follow the lines laid down in that history. For myself I oppose the pretensions of "law and order," not on historical precedent, but on the ground that it is the inalienable right of every individual and of every nation to stand on truth and to offer a stubborn resistance to the promulgation of lawless laws. There was a law in the time of Christ which forbade the people from eating on the Sabbath, but allowed the priests to profane the Sabbath. And how Christ dealt with the law is narrated in the New Testament.

"At that time Jesus went on the Sabbath day through the corn; and his disciples were an hungred, and began to pluck the ear of corn, and to eat.

"But when the Pharisees saw it, they said unto him: Behold, thy disciples do that which is not lawful to do upon the Sabbath day.

"But he said unto them: Have ye not read what David did, when he was an hungred and they that were with him;

"How he entered into the house of God and did eat the shewbread, which was not lawful for him to eat, neither for them which were with him, but only for the priests?

"Or have ye not read in the law, how that on the Sabbath days the priests in the temple profaned the Sabbath, and are blameless?"

The truth is, that law and order is for Man, and not Man for Law and Order. The development of nationality is a sacred task and anything which impedes that task is an obstacle which the very force and power of nationality must overcome. If therefore you interpose a doctrine to impede the task, why, the doctrine must go. If you have recourse to law and order to establish and defend the rule of law, then your law and order is entitled to claim the respect of all law-abiding citizens; but as soon as you have recourse to it not to establish and defend the rule of law but to destroy and attack it, there is no longer any obligation on us to respect it, for Higher Law, the natural law, the law of God, compels us to offer our stubborn resistance to it. When I find something put forward in the sacred name of law and order which is deliberately intended to hinder the growth, the development, and the self-realisation of the nation, I have no hesitation whatever in proclaiming that such law and order is an outrage on Man and an insult to God.

But though our Moderate friends are often deluded by the battle cry of law and order, I rejoice when I hear that cry. It means that the Bureaucracy is in danger and that the Bureaucracy has realized its danger. It is not without reason that a false issue is raised ; and the fact that a false issue has been raised fills me with hope and courage. I ask my countrymen to be patient and to press the charge. Freedom has already advanced when the alarm of law and order is sounded ; that is the history of Bureaucracies all over the world.

In the meantime it is our duty to keep our ideal steadfast. We must not forget that we are on the eve of great changes, that world forces are working all around us and that the battle of freedom has yet to be won.

#### NATIONALISM : THE IDEAL

What is the ideal which we must set before us ? The first and foremost is the ideal of nationalism. Now what is nationalism ? It is, I conceive, a process through which a nation expresses itself and finds itself, not in isolation from other nations, not in opposition to other nations, but as part of a great scheme by which, in seeking its own expression and therefore its own identity, it materially assists the self-expression and self-realisation of other nations as well : Diversity is as real as unity. And in order that the unity of the world may be established it is essential that each nationality should proceed on its own line and find fulfilment in self-expression and self-realisation. The nationality of which I am speaking must not be confused with the conception of nationality as it exists in Europe to-day, Nationalism in Europe is an aggressive nationalism, a selfish nationalism, a commercial nationalism of gain and loss. The gain of France is the loss of Germany, and the gain of Germany is the loss of France. Therefore French nationalism is nurtured on the hatred of Germany, and German nationalism, is nurtured on the hatred of France. It is not yet realised that you cannot hurt Germany without hurting Humanity, and in consequence hurting France ; and that you cannot hurt France without hurting Humanity, and in consequence hurting Germany. That is European nationalism ; that is not the nationalism of which I am speaking to you to-day. I contend that each nationality constitutes a particular stream of the great unity, but no nation can fulfil itself unless and until it becomes itself and at the same time realises its identity with Humanity. The whole problem of nationalism is therefore to find that stream and to face that destiny. If you find the current and establish a continuity with the past, then the process of self-expression has begun, and nothing can stop the growth of nationality.

Throughout the pages of Indian history, I find a great purpose unfolding itself. Movement after movement has swept over this vast country, apparently creating hostile forces, but in reality stimulating the vitality and moulding the life of the people into

one great nationality. If the Aryans and the non-Aryans met, it was for the purpose of making one people out of them. Brahmanism with its great culture succeeded in binding the whole of India and was indeed a mighty unifying force. Buddhism with its protests against Brahmanism served the same great historical purposes; and from Magadha to Taxila was one great Buddhistic Empire which succeeded not only in broadening the basis of Indian unity, but in creating, what is perhaps not less important, the greater India beyond the Himalayas and beyond the seas, so much so that the sacred city where we have met may be regarded as a place of pilgrimage of millions and millions of people of Asiatic races. Then came the Mahomedans of diverse races, but with one culture which was their common heritage. For a time it looked as if here was a disintegrating force, an enemy to the growth of Indian nationalism, but the Mahomedans made their home in India, and, while they brought a new outlook and a wonderful vitality to the Indian life, with infinite wisdom, they did as little as possible to disturb the growth of life in the villages where India really lives. This new outlook was necessary for India; and if the two sister streams met, it was only to fulfil themselves and face the destiny of Indian history. Then came the English with their alien culture, their foreign methods, delivering a rude shock to this growing nationality; but the shock has only completed the unifying process so that the purpose of history is practically fulfilled. The great Indian nationality is in sight. It already stretches its hands across the Himalayas not only to Asia but to the whole of the world, not aggressively, but to demand its recognition, and to offer its contribution. I desire to emphasise that there is no hostility between the ideal of nationality and that of world peace. Nationalism is the process through which alone will world peace come. A full and unfettered growth of nationalism is necessary for world peace just as a full and unfettered growth of individuals is necessary for nationality. It is the conception of aggressive nationality in Europe that stands in the way of world peace; but once the truth is grasped that it is not possible for a nation to inflict a loss on another without at the same time inflicting a loss on itself, the problem of Humanity is solved. The essential truth of nationality lies in this, that it is necessary for each nation to develop itself, express itself and realise itself, so that Humanity itself may develop itself, express itself and realise itself. It is my belief that this truth of nationality will endure, although for the moment, unmindful of the real issue the nations are fighting amongst themselves; and if I am not mistaken, it is the very instinct of selfishness and self-preservation which will ultimately solve the problem, not the narrow and the mistaken selfishness of the present, but a selfishness universalized by intellect and transfigured by spirit, a selfishness that will bring home to the nations of the world that in the efforts to put down their neighbours lies their own ruin and suppression.

We have, therefore, to foster the spirit of Nationality. True development of the Indian nation must necessarily lie in the path of Swaraj. A question has often been asked as to what is Swaraj. Swaraj is indefinable and is not to be confused with any particular system of Government. There is all the difference in the world between Swarayya and Samrayya. Swaraj is the natural expression of the national mind. The full outward expression of that mind covers, and must necessarily cover, the whole life-history of a nation. Yet it is true that Swaraj begins when the true development of a nation begins, because as I have said, Swaraj is the expression of the national mind. The question of nationalism, therefore, looked at from another point of view, is the same question as that of Swaraj. The question of all questions in India to-day is the attainment of Swaraj.

#### NON-VIOLENT NON-CO-OPERATION

I now come to the question of method. I have to repeat that it has been proved beyond any doubt that the method of non-violent non-co-operation is the only method which we must follow to secure a system of Government which may in reality be the foundation of Swaraj. It is hardly necessary to discuss the philosophy of non-co-operation. I shall simply state the different view-points from which this question may be discussed. From the national point of view the method of non-co-operation means the attempt of the nation to concentrate upon its own energy and to stand on its own strength. From the ethical point of view, non-co-operation means the method of self-purification, the withdrawal from that which is injurious to the development of the nation, and therefore to the good of humanity. From the spiritual point of view, Swaraj means that isolation which in the language of Sadhana is called *PROTYAHAR*--that withdrawal from the forces which are foreign to our nature--an isolation and withdrawal which is necessary in order to bring out from our hidden depths the soul of the nation in all her glory. I do not desire to labour the point, but from every conceivable point of view, the method of non-violent non-co-operation must be regarded as the true method of "following in the path of Swaraj."

#### FORCE AND VIOLENCE

Doubt has, however, been expressed in some quarters about the soundness of the principle of non-violence. I can not refuse to acknowledge that there is a body of Indian opinion within the country as well as outside according to which non-violence is an ideal abstraction incapable of realisation, and that the only way in which Swaraj can ever be attained is by the application of force and violence. I do not for a moment question the courage, sacrifice and patriotism of those who hold this view. I know that some of them have suffered for the cause which they believe to be true. But may I be permitted to point out that apart from any question of principle, history has proved over and over again the utter futility of

revolutions brought about by force and violence. I am one of those who hold to non-violence on principle. But let us consider the question of expediency. It is possible to attain Swaraj by violent means? The answer, which history gives is, an emphatic "No", Take all the formidable revolutions of the world.

#### THE FRENCH REVOLUTION

The history of the French Revolution is the history of a struggle at the first instance between the Crown and the nobility on one side and the Representative Assemblies with armed Paris on the other. Both took to violence, one to the bayonet and the other to the pike. The pike succeeded because the bayonet was held with uncertain hands. And then, as is usual after the victory gained with violence, the popular party was sharply divided between two sections—the Girondins and the Jacobins. Again there was an appeal to force. The girondians asked provinces to rise in arms, the Jacobins asked Paris to rise in arms. Paris being nearer and stronger, the Girondins were defeated and sent to the guillotine—the Jacobins seized the power. But it did not take them many months to fall out among themselves. First Robespierre and Danton sent Hebert and Chaumette to the guillotine, then Robespierre sent to the guillotine. Robespierre in his turn was guillotined by Collot, Billaud and Tallien. These men, again, were banished by others to the far off South America. If there was a slight difference of views between the Girondins and the Jacobins—there was practically none between the different sections of the Jacobins. The whole question was which of the various sections was to rule France. Force gave way to stronger force and at last under Napoleon France experienced a despotism similar to if not worse than the despotism of Louis XIV. As regards liberty there was not more liberty in France under the terrible Committee of Public Safety and Napoleon than under Louis XIV or Louis XV. The law of Prairial was certainly much worse than Lettres de Cachet. And the people—? On the pont au Change, on the Place de Greve, in long sheds, Mercier, at the end of the Revolution, saw working men at their repast. One's allotment of daily bread had sunk to an ounce and-a-half. "Plates containing each three grillen herrings, sprinkled with shorn onions wetted with a little vinegar; to this add some morsel of boiled prunes, and lentils swimming in a clear sauce; at these frugal tables I have seen them ranged by the hundred; consuming, without bread, their scant messes, far too moderate for the keenness of their appetite, and the extent of their stomach." "Seine water" remarks Carlyle grimly—"rushing plenteous by, will supply the deficiency". One cannot forget the exclamation of Carlyle in this connection:

"O Man of Toil" "Thy struggling and thy daring, these six long years of insurrection and tribulation, thou hast profited nothing by it, then? Thou consumest thy herring and water, in the blessed gold-red of evening. O why was the Earth so beautiful, becrimsoned with dawn and twilight, if man's dealings with man were to make it

a vale of scarcity, of tears, not even soft tears? Destroying of Bastilles, discomfiting of Brunswicks, fronting of Principalities and Powers, of Earth and Tophet, all that thou has dared and endured,—it was for a Republic of the Saloons? Aristocracy of Feudal Parchment has passed away with a mighty rushing; and now, by a natural course, we arrive at Aristocracy of the Moneybag. It is the course through which all European Societies are, at this hour, travelling. Apparently a still baser sort of Aristocracy? An infinitely baser; the basest yet known”.

Even to-day France is plodding her weary way towards Swaraj.

#### REVOLUTIONS IN ENGLAND.

The history of England proves the same truth. The revolution of the Barons in 1215 took away or purported to take away the power from the King; but the power fell into the hand of the aristocracy, and democracy did not share in the triumph of the Barons. Thus the great Charter, as a great historian has observed, was thus not a Charter of Liberty but of Liberties. The revolution in the reign of Charles I produced a new-dictator who suppressed freedom. The work which the Long Parliament began was interrupted by the revolution which followed the execution of the King, and it required another revolution this time, a bloodless revolution, to complete the work. I deny that the work is yet complete. The continual class war and the obvious economic injustice do not proclaim that freedom which England claimed for herself. I maintain that no people has yet succeeded in winning freedom by force and violence. The truth is that love of power is a formidable factor to be reckoned with, and those who secure that power by violence will retain that power by violence. The use of violence degenerates them who use it, and it is not easy for them having seized the power to surrender it. And they find it easier to carry on the work of their predecessor, retaining their power in their own hands. Non-violence does not carry with it that degeneration which is inherent in the use of violence.

#### REVOLUTIONS IN ITALY AND RUSSIA.

The Revolutions in Italy and Russia illustrate the same principle. The Italian Revolution inspired by Mazzani and worked out by Garibaldi and Cavour, did not result in the attainment of Swaraj. The freedom of Italy is yet in the making, and the men and women of Italy are to-day looking forward to another revolution. If it results in a war of violence it will again defeat its purpose, but only to allow Freedom and Non-violence to triumph in the end.

The recent revolution in Russia is very interesting study. The shape which it has now assumed is due to the attempt to force Marxian doctrines and dogmas on the unwilling genius of Russia. Violence will again fail. If I have read the situation accurately I expect a counter-revolution. The soul of Russia must struggle to free herself from the socialism of Carl Mark. It may be an independent movement, or it may be that the present movement contains

within itself the power of working out that freedom. In the meantime the fate of Russia is trembling in the balance.

#### NON-VIOLENT NON-CO-OPERATION—THE ONLY METHOD.

I believe in revolutions, but I repeat, violence defeats freedom. The revolution of non-violence is slower but surer. Step by step the soul of the nation emerges and step by step the nation marches on in the path of Swaraj. The only method by which Freedom can be attained in India at any rate, is the method of non-violent non-co-operation. Those who believe this method to be impracticable would do well to ponder over the Akali movement. When I saw the injuries of the wounded at Amritsar and heard from their lips that not one of them had even wished to meet violence by violence in spite of such grave provocation, I said to myself, "here was the triumph of non-violence."

Non-violence is not an idle dream. It was not in vain that Mahatma declared "put up thy sword into the sheath." Let those who are "of the truth" hear his voice as those others heard a mightier voice two thousand years ago.

The attempt of the Indian nation to attain Swaraj by this method was however met by severe repression. The time has come for us to estimate our success as well as our failure. So far as repression is concerned, it is easy to answer the question. I have not the least doubt in my mind that the nation has triumphed over the repression which was started and continued to kill the soul of the movement.

#### SUCCESS OF NON-VIOLENT NON-CO-OPERATION.

But the question which agitates most minds is as to whether we have succeeded in our work of non-violent non-co-operation. There is, I am sorry to say, a great deal of confusion of thought behind the question. It is assumed that a movement must either succeed or fail, whereas the truth is that human movements, I am speaking of genuine movements, neither altogether succeed nor altogether fail. Every genuine movement proceeds from an ideal, and the ideal is always higher than the achievement. Take the French revolution. Was it a success? Was it a failure? To predicate either would be a gross historical blunder. Was the non-co-operation movement in India a success? Yes, a mighty success when we think of the desire for Swaraj which it has succeeded in awakening throughout the length and breadth of this vast country. It is a great success when we think of the practical result of such awakening, in the money which the nation contributed, in the enrolment of members of the Indian National Congress and in the boycott of foreign cloth. I go further and say that the practical achievement also consists of the loss of prestige suffered by Educational Institutions and the Courts of Law and the Reformed Councils throughout the country. If they are still resorted to, it is because of the weakness of our countrymen. The country has already expressed its strong desire to end these

institutions. Yet it must be admitted that from another point of view, when we assess the measure of our success in the spirit of Arithmetic, we are face to face with "the petty done" and "the undone vast." There is much which remains to be accomplished. Non-violence has to be more firmly established. The work of non-co-operation has to be strengthened, and the field of non-co-operation has to be extended. We must be firm but reasonable. The spirit of sacrifice has got to be further strengthened, and we must proceed with the work of destruction and creation more vigorously than before. I say to our critics, I admit we have failed in many directions, but will you also not admit our success where we have succeeded?

#### CHARGE OF CORRUPTING THE YOUTHS.

We have been denounced by the Moderates for having corrupted the youth of the country. It has been asserted that we have taught sons to disobey their fathers, the pupils their teachers, and the subject the Government. We plead guilty to the charge, and we rely upon every spiritual movement as argument in our support. Christ himself was tried for having corrupted the people, and the answer which he gave in anticipation is as emphatic as it is instructive.

"Think not that I am come to send peace on earth : I come not to send peace, but a sword."

"For I am come to set a man at variance against his father, and the daughter against his mother, and the daughter-in-law against her mother-in-law."

#### CHARGE OF HYPOCRISY.

It has been said that with love on our lips we have been preaching the gospel of hatred. Never was such a vile slander uttered. It may be we have failed to love, it may be we lost ourselves, some of us in hatred, but that only shows our weakness and imperfectness. Judge us by our ideal, not by what we have achieved. Wherever we have fallen short of that ideal put it down to our weakness. On behalf of the Indian National Congress I deny the charge of hypocrisy. To those who are ever anxious to point out our defects, I say with all humility, "my friends, if we are weak, come and join us and make us stronger. If the leaders are worthless, come and join us to lead and the leaders will stand aside. If you do not believe in the ideal, what is the use of always criticising us in the light of that ideal?" We need no critic to tell us how far we have fallen short of that ideal. Evidence of weakness has met me from every direction in which I have looked ; but in spite of our defects of human weakness, of human imperfection, I feel bold enough to say that our victory is assured and that the Bureaucracy knows that our victory is assured.

#### HOW TO APPLY THE METHOD OF NON-VIOLENT NON-CO-OPERATION.

But though the method of non-violent non-co-operation is sure and certain, we have now to consider how best to apply that method



to the existing circumstances of the country. I do not agree with those who think that the spirit of the nation is so dead that non-violent non-co-operation is no longer possible. I have given the matter my earnest thought, and I desire to make it perfectly clear that there is absolutely no reason for entertaining any feelings of doubt or despair. The outward appearance of the people to-day is somewhat deceptive. They appear to be in a tried condition and a sense of fatigue has partially overcome them. But beneath all this exterior of quietude, the pulse of the nation beats as strongly as before and as hopefully as at the beginning of this movement. We have to consolidate the strength of the nation, we have to devise a plan of work which will stimulate their energy, so that we can accelerate our journey towards Swaraj. I shall place before you one by one the items of work which, in my opinion, the Indian National Congress should prescribe for the nation.

#### DECLARATION OF THE RIGHTS OF DIFFERENT COMMUNITIES.

It should commence its work for the year by a clearer declaration of the rights of the different communities in India under the Swaraj Government. So far as the Hindus and the Mahomedans are concerned there should be a clear and emphatic confirmation of what is known as the Lucknow Compact, and along with that there should be an emphatic recognition of each other's rights, and each should be prepared to undergo some kind of sacrifice in favour of the other. Let me give an instance to make my meaning clear. Every devout Mussalman objects to any music in front of a mosque, and every devout and orthodox Hindu objects to cows being slaughtered. May not the Hindus and the Mussalmans of India enter into a solemn compact so that there may not be any music before any mosque and that no cows may be slaughtered? Other instances may be quoted. There should be a scheme of a series of sacrifices to be suffered by each community so that they may advance shoulder to shoulder in the path of Swaraj. As regards the other Communities such as Sikhs, Christians and Parsees, the Hindus and the Mahomedans who constitute the bulk of the people should be prepared to give them even more than their proportional share in the Swaraj administration. I suggest that the Congress should bring about real agreement between all those communities by which the rights of every minority should be clearly recognised in order to remove all doubts which may arise and all apprehensions which probably exist. I need hardly add that I include among Christians not only pure Indians, but also Anglo-Indians and other people who have chosen to make India their home. Such an agreement as I have indicated was always necessary, but such an agreement is specially necessary in view of the work which faces us to-day.

#### FOREIGN PROPAGANDA.

I further think that the policy of exclusiveness which we have been following during the last two years should now be abandoned.

There is in every country a number of people who are selfless followers of liberty and who desire to see every country free. We can no longer afford to lose their sympathy and co-operation. In my opinion, there should be established Congress Agencies in America and in every European country. We must keep ourselves in touch with world movements and be in constant communication with the lovers of freedom all over the world.

#### THE GREAT ASIATIC FEDERATION,

Even more important than this is participation of India in the great Asiatic Federation, which I see in the course of formation. I have hardly any doubt that the Pan-Islamic movement which was started on a somewhat narrow basis, has given way or is about to give way to the great Federation of all Asiatic people. It is the union of the opposed nationalities of Asia. Is India to remain outside this union? I admit that our freedom must be won by ourselves but such a bond of friendship and love, of sympathy and co-operation, between India and the rest of Asia, nay, between India and all the liberty-loving people of the world is destined to bring about world-peace. World-peace to my mind means the freedom of every nationality, and I go further and say that no nation in the face of the earth can be really free when other nations are in bondage. The policy which we have hitherto pursued was absolutely necessary for the concentration of the work which we took upon ourselves to perform, and I agreed to that policy wholeheartedly. The hope of the attainment of Swaraj or a substantial basis of Swaraj in the course of the year made such concentration absolutely necessary. To-day that very work demands broader sympathy and a wider outlook.

#### DEMANDS FOR PUNJAB WRONGS, KHILAFAT, SWARAJ &c.

We are on the eve of great changes, and the world forces are upon us. The victory of Kemal Pasha has broken the bonds of Asia, and she is all astir with life. It is Prometheus who "spoke within her, and her thoughts are like the many forests of vale through which the might of whirlwind and of rain had passed." The stir within every European country for the real freedom of the people has also worked a marvellous transformation in the mentality of subject races. That which was more or less a matter of ideal, has now come within the range of practical politics. The Indian nation has found out its bearings. At such a time as this, it is necessary for us to re-consider and to re-state our demands. Our demands regarding the Punjab wrongs have got to be re-stated because many of them have already been realised; our demands regarding Khilafat have got to be re-considered because some of them have already been worked out, and we hope that before the Laur nne Commission has finished its work very little of it will remain unrealised. Our demand for Swaraj must now be presented in a more practical shape. The Congress should frame a clear scheme of what

we mean by a system of Government which may serve as a real foundation for Swaraj. Hitherto, we have not defined any such system of Government. We have not done so advisedly as it was on the psychological aspect of Swaraj that we concentrated our attention. But circumstances to-day have changed. The desire is making us impatient. It is therefore the duty of the Congress to place before the country a clear scheme of the system of Government which we demand. Swaraj, as I have said, is indefinable and is not to be confused with any particular system of Government. Yet the national mind must express itself, and although the full outward expression of Swaraj covers the whole life-history of a nation, the formulation of such a demand cannot be any further delayed.

#### SCHEME OF GOVERNMENT.

It is hardly within the province of this address to deal with any detailed scheme of any such Government. I cannot however allow this opportunity to pass without giving you an expression of my opinion as to the character of that system of Government. No system of Government which is not for the people and by the people can ever be regarded as the true foundation of Swaraj. I am firmly convinced that a parliamentary Government is not a Government by the people and for the people. Many of us believe that the Middle Class must win Swaraj for the masses. I do not believe in the possibility of any class movement being ever converted into a movement for Swaraj. If to-day the British Parliament grants provincial autonomy in the provinces with responsibility in the central Government, I for one, will protest against it because that will inevitably lead to the concentration of power in the hands of the Middle Class. I do not believe that the Middle Class will then part with their power. How will it profit India, if in place of the white Bureaucracy that now rules over her, there is substituted an Indian Bureaucracy of the middle classes. Bureaucracy is Bureaucracy, and I believe that the very idea of Swaraj is inconsistent with the existence of a Bureaucracy. My ideal of Swaraj will never be satisfied unless the people co-operate with us in its attainment. Any other attempt will inevitably lead to what European Socialists call the "Bourgeoise" Government. In France and in England and in other European countries it is the middle class who fought the battle of freedom, and the result is that power is still in the hands of this class. Having usurped the power they are unwilling to part with it. If to-day the whole of Europe is engaged in a battle of real freedom it is because the nations of Europe are gathering their strength to wrest this power from the hands of the middle classes. I desire to avoid the repetition of this chapter of European history. It is for India to show the light to the world,—Swaraj by non-violence and Swaraj by the people.

To me the organisation of village life and the practical autonomy of small local centres are more important than either provincial autonomy or central responsibility; and if the choice lay between the two, I would unhesitatingly accept the autonomy of the local

centres. I must not be understood as implying that the village centres will be disconnected units. They must be held together by a system of co-operation and integration. For the present, there must be power in the hands of the provincial and the Indian Government, but the ideal should be accepted once for all, that the proper function of the central authority, whether in the Provincial or in the Indian Government is to advise, having a residuary power of control only in case of need, and to be exercised under proper safeguards. I maintain that real Swaraj can only be attained by vesting the power of Government in these local centres, and I suggest that the Congress should appoint a Committee to draw up a scheme of Government which would be acceptable to the nation.

The most advanced thought of Europe is turning from the false individualism on which European culture and institutions are based to what I know to be the ideal of the ancient village organisation of India. According to this thought modern democracy of the ballot box and large crowds has failed, but real democracy has not yet been tried. What is the real democracy of Modern European thought?

The foundation of real democracy must be laid in small centres—not gradual decentralisation which implies a previous centralisation—but a gradual integration of the practically autonomous small centres into one living harmonious whole. What is wanted is a human state not a mechanical contrivance. We want the growth of institutions and organisations which are really dynamic in their nature and not the more static stability of a centralised State.

This strain of European thought found some expression in the philosophy of Hegel, according to whom “human institutions belong to the region, not of inert externality, but of mind and purpose, and are therefore dynamic and self-developing.”

Modern European thought has made it clear that from the Individual to the “Unified State,” it is one continuous process of real and natural growth. Sovereignty (Swaraj) is a relative notion. “The individual is Sovereign over himself”—attains his Swaraj—“in so far as he can develop, control and unify his manifold nature.” From the individual we come to “integrated neighbourhood” which is the real foundation of the unified state which again in its turn gives us the true ideal of the world-state. This integrated neighbourhood is great deal more than the mere physical contiguity of the people who live in the neighbourhood area. It requires the evolution of what has been called “neighbourhood consciousness.” In other words, the question is “how can the force generated by the neighbourhood life become part of our whole civic and natural life?” It is this question which now democracy takes upon itself to solve.

The process prescribed is the generation of the collective will. The democracy which obtains to-day rests on an attempt of securing a common will by a process of addition. This really means a war of wills, the issue being left to be decided by a mere superiority of numbers. New democracy discountenances this process of addition.

and insists on the discovery of detailed means and methods by which the different wills of a neighbourhood entity may grow into one common collective will. This process is not a process of addition but of integration, and the consciousness of the neighbourhood thus awakened must express the common collective will of that neighbourhood entity. The collective wills of the several neighbourhood centres, must by a similar process of integration be allowed to evolve the common collective will of the whole nation. It is only thus, by a similar process of integration that any league of nations may be real and the vision of a world State may be realized.

The whole of this philosophy is based on the idea of the evolution of individual. The idea is to "release the powers of the individual." Ordinary notions of State have little to do with true individualism, i.e., "with the individual as consciously responsible for the life from which he draws his breath and to which he contributes his all. According to this school of thought "representative government, party organisation, majority rule, with all their excrescences are dead-wood. In their stead must appear the organisation of non-partisan groups for the begetting, the bringing into being, of common ideas, a common purpose and the collective will." This means the true development and extension of the individual self. The institutions that exist to-day have made machines of men. No Government will be successful, no true Government is possible which does not rest on the individual. "Up to the present moment," says the gifted authoress of the New State, we have never seen the individual yet. The search for him has been the whole long striving of our Anglo-Saxon history. We sought him through the method of representation and failed to find him. We sought to reach him by extending the suffrage to every man and then to every woman and yet he eludes us. Direct Government now seeks the individual." In another place the same writer says: "Thus group organisation releases us from the domination of mere numbers, thus democracy transcends time and space. It can never be understood except as a spiritual force. Majority rule rests on numbers; democracy rests on the well-grounded assumption that society is not a collection of units, but a net work of human relations. Democracy is not worked out at the polling booths; it is the bringing forth of a genuine collective will, one to which every single being must contribute the whole of his complex life, as one which every single being must express the whole of at one point. Thus the essence of democracy is creating. The technique of democracy is group organisation." According to this school of thought no living State is possible without the development and the extension of the individual self. State itself is no static unit. Nor is it an arbitrary creation. "It is a process; a continual self-modification to express its different stages of growth in which each and all must be so flexible that continual change of form is twin-fellow of continual growth." This can only be realised when there is a clear

perception that individuals and groups and the nation stand in no antithesis. The integration of all these into one conscious whole means and must necessarily mean the integration of the wills of individuals into the common and collective will of the entire nation.

The general trend of European thought has not accepted the ideal of this new democracy. But the present problems which are agitating Europe seem to offer no other solution. I have very little doubt that this ideal which appears to many practical politicians as impracticable will be accepted as the real ideal at no distant future. "There is little yet", I again quote from the same author, "that is practical in practical politics."

The fact is that all the progressive movements in Europe have suffered because of the want of a really spiritual basis and it is refreshing to find that this writer has seized upon it. To those who think that the neighbourhood group is too puny to serve as a real foundation of Self-Government, she says, "Is our daily life profane and only so far as we rise out of it do we approach the sacred life? Then no wonder politics are what they have become. But this is not the creed of men to-day; we believe in the sacredness of our life; we believe that divinity is forever incarnating in humanity, and so we believe in Humanity and the common daily life of all men."

There is thus a great deal of correspondence between this view of life and the view which I have been endeavouring to place before my countrymen for the last 15 years. For, the truth of all truths is that the outer LEELA of God reveals itself in history. Individual, Society, Nation, Humanity are the different aspects of that very LEELA and no scheme of self-Government which is practically true and which is really practical can be based on any other Philosophy of life. It is the realisation of this truth which is the supreme necessity of the hour. This is the soul of Indian thought, and this is the ideal towards which the recent thought of Europe is slowly but surely advancing.

To frame such a scheme of Government regard must, therefore, be had—

- (1) to the formation of local centres more or less on the lines of the ancient village system of India.
- (2) the growth of larger and larger groups out of the integration of these village centres.
- (3) the unifying State should be the result of similar growth.
- (4) the village centres and the larger groups must be practically autonomous.
- (5) the residuary power of control must remain in the central Government but the exercise of such power should be exceptional and for that purpose proper safeguard should be provided, so that the practical autonomy of the local centres may be maintained and at the same time the

growth of the central Government into a really unifying State may be possible. The ordinary work of such central Government should be mainly advisory.

As a necessary corollary to what I have ventured to suggest as the form of Government which we should accept, I think that the work of organising these local centres should be forthwith commenced. The modern sub-divisions or even smaller units may be conveniently taken as the local centres, and larger centres may be conveniently formed. Once we have our local areas—"The neighbourhood group" we should foster the habit of corporate thinking, and leave all local problems to be worked out by them. There is no reason why we should not start the Government by these local centres to-day. They would depend for their authority on the voluntary co-operation of the people, and voluntary co-operation is much better than the compulsory co-operation which is at the bottom of the Bureaucratic rule in India. This is not the place to elaborate the scheme which I have in mind; but I think that is essentially necessary to appoint a Committee with power, not only to draw up a scheme of Government but to suggest means by which the scheme can be put in operation at once.

#### BOYCOTT OF COUNCIL.

The next item of work to which I desire to refer is the boycott of Councils. Unhappily the question has become part of the controversy of Change or No-change. To my mind the whole controversy proceeds on a somewhat erroneous assumption. The question is not so much as to whether there should be a change in the programme of the work; the real question is, whether it is not necessary now to change the direction of our activities in certain respect for the success of the very movement which we hold so dear. Let me illustrate what I mean. Take the Bardoli Resolution. In the matter of boycott of schools and colleges the Bardoli Resolution alters the direction of our activity, which does not in any way involve the abandonment of the boycott. During the Swaraj year the idea was to bring the students out of Government schools and colleges, and if National schools were started they were regarded as concessions to the "weakness" of those students. The idea was, to quote the words of Mahatma Gandhi, "political" and not "educational". Under the Bardoli Resolution, however, it is the establishment of schools and colleges which must be the main activity of national education. The idea is "educational", and if it still be the desire of the Congress to bring students out of Government schools and colleges, it is by offering them educational advantages. Here the boycott of schools and colleges is still upheld, but the direction of our activities is changed. In fact, such changes must occur in every revolution, violent or non-violent, as it is only by such changes that the ideal is truly served.

In the next place, we must keep in view the fact that according to unanimous opinion of the members of the Enquiry Committee,

Civil Disobedience on a large scale is out of question because the people are not prepared for it.

I confess that I am not in favour of the restrictions which have been put upon the practical adoption of any system of civil disobedience, and in my opinion, the Congress should abolish those restrictions. I have not yet been able to understand why to enable a people to civilly disobey particular laws, it should be necessary that at least 80 per cent of them should be clad in pure "Khadi". I am not much in favour of general Mass Civil Disobedience. To my mind, the idea is impracticable. But the disobedience of particular laws which are eminently unlawful, laws which are the creatures of "Law and Order," laws which are alike an outrage on humanity and an insult to God—disobedience of such laws is within the range of practical politics and in my opinion, every attempt should be made to offer disobedience to such laws. It is only by standing on truth that the cause of Swaraj may prevail. When we submit to such laws, we abandon the plank of truth. What hope is there for a nation so dead to the sense of truth as not to rebel against lawless laws, against regulations which insure their national being and hamper their national development?

I am of opinion that the question of the boycott of Council which is agitating the country so much must be considered and decided in the light of the circumstances I have just mentioned. There is no opposition in idea between such civil disobedience as I have mentioned and the entry into the Councils for the purpose, and with the avowed object of either ending or mending them. I am not against the boycott of Councils. I am simply of opinion that the system of the Reformed Councils with their steel frame of the Indian Civil Service covered over by a dyarchy of deadlocks and departments, is absolutely unsuitable to the nature and genius of the Indian nation. It is an attempt of the British Parliament to force a foreign system upon the Indian people. India has unhesitatingly refused to recognise this foreign system as a real foundation for Swaraj. With me, as I have often said, it is not a question of more or less; I am always prepared to sacrifice much for a real basis of Swaraj, nor do I attach any importance to the question as to whether the attainment of full and complete independence will be a matter of 7 years or 10 years or 20 years. A few years is nothing in the life-history of a nation. But I maintain that India cannot accept a system such as this as a foundation of our Swaraj. These Councils must therefore be either mended or ended. Hitherto we have been boycotting the Councils from outside. We have succeeded in doing much—the prestige of the Councils is diminished, and the country knows that the people who adorn those chambers are not the true representatives of the people. But though we have succeeded in doing much, these Councils are still there. It should be the duty of the Congress to boycott the Councils more effectively from within. Reformed Councils are really a mask which the Bureaucracy has put on. I conceive it to be our clear duty to tear this mask from off



their face. The very idea of boycott implies, to my mind, something more than mere withdrawal. The boycott of foreign goods means that such steps must be taken that there may be no foreign goods in our markets. The boycott of the Reformed Councils, to my mind, means that such steps must be taken that these Councils may not be there to impede the progress of Swaraj. The only successful boycott of these Councils is either to mend them in a manner suitable to the attainment of Swaraj or to end them completely. That is the way in which I advise the nation to boycott the Councils.

A great deal of discussion has taken place in the country as to whether the boycott of Councils in the sense in which I mean it, is within the principle of non-violent non-co-operation. I am emphatically of opinion that it does not offend against any principle of non-co-operation which has been adopted and applied by the Indian National Congress. I am not dealing with logical or philosophical abstractions. I am only dealing with that which the Congress has adopted and called non-co-operation. In the first place, may I point out that we have not up to now non-co-operated with the Bureaucracy. We have been merely preparing the people of this country to offer non-co-operation. Let me quote the Nagpur resolution on non-co-operation in support of my proposition. I am quoting only the portions which are relevant to this point :

"Whereas in the opinion of the Congress the existing Government of India has forfeited the confidence of the country, and, whereas the people of India are now determined to establish Swaraj \* \* \* now this Congress \* \* \* declare that the entire or any part or parts of the scheme of non-violent non-co-operation with the renunciation of voluntary association with the present Government at one end, and the refusal to pay taxes at the other, should be put into force at a time to be determined by either the Indian National Congress, or the All India Congress Committee and that, IN THE MEANWHILE TO PREPARE THE COUNTRY FOR IT, EFFECTIVE STEPS SHOULD CONTINUE TO BE TAKEN IN THAT BEHALF."

Then follows the effective steps such as, national education, boycott of law courts, boycott of foreign goods, etc., which must be taken "in the meanwhile". It is clear therefore that the Congress has not yet advocated the application of non-co-operation but has merely recommended certain steps to be taken, so that, at some time or other, to be determined by the Congress, the Indian nation may offer non-co-operation. In the second place, let us judge of the character of this principle, not by thinking of any logical idea or philosophical abstraction, but by gathering the principle from the work and the activity which the Congress has enjoined. When I survey that work, it is clear to my mind, that the Congress was engaged in a twofold activity. In everything that the Congress commanded there is an aspect of destruction as there is an aspect of creation. The boycott of lawyers and law courts means the destruction of existing legal institutions ; and the formation of Panchayates

means the creation of agencies through which justice may be ministered. The boycott of schools and colleges means the destruction of the department of education; and the establishment of National schools and colleges means the creation of educational institutions for the youth of India. The boycott of foreign goods followed as it was by the burning of foreign cloth means the destruction of the foreign goods already in the country and the preventing in future of foreign goods coming into the country. But on the other hand, the spinning wheel and the looms means creative activity in supplying the people with indigenous cloth. Judged by this principle, what is wrong about the desire either to convert the Councils into institutions which may lead us to Swaraj, or to destroy them altogether? The same twofold aspect of creation and destruction is to be found in the boycott of Councils in the way I want them to be boycotted.

It has also been suggested that it offends against the morality and spirituality of this movement. Let us take the two points separately. As regards the question of morality apart from the ethics of Non-co-operation, it has been urged that entering the Councils for the purpose of ending the Councils is unfair and dishonest. The argument implies that the Reformed Councils belong entirely to the Bureaucracy and the idea is that we should not enter into other people's property with a view to injure it. To my mind, the argument is based on a misconception of facts. Inadequate as the Reforms undoubtedly are, I do not for a moment admit that the Reforms Act was a gift of the British Parliament. It was, to quote the words of Mahatma Gandhi, "a concession to popular agitation." The fact is that it is the resultant of two contending forces, the desire of the people for freedom and the desire of the Bureaucracy to oppose such desire. The result is that it has travelled along lines neither entirely popular nor entirely bureaucratic. The people of India do not like these Reforms, but let us not forget that the Bureaucracy does not like them either. Because it is the result of two contending forces pulling in different directions, the Reforms have assumed a tortured shape. But so far as the rights recognised are concerned, they are our rights—our property—and there is nothing immoral or unfair or dishonest in making use of the rights which the people has extorted from the British Parliament. If the fulfilment of the very forces which have succeeded in securing the Reforms require that the Councils should either be mended or ended, if the struggle for freedom compels the adoption of either course, what possible charge of immorality can be levelled against it? I admit if we had proposed to enter the Councils stealthily with the avowed object of co-operation but keeping within our hearts the desire to break the Councils, such a course would undoubtedly have been dishonest. European diplomacy, let us hope, has been abolished by the Indian National Congress under the leadership of Mahatma Gandhi. If we play now, we play with all our cards on the table.

But some people say that it is immoral from the point of view of non-co-operation, because it involves an idea of destruction. The work of non-co-operation according to these patriots—I have the highest reverence for them—is only to build our national life ignoring altogether the existence of the 'Bureaucracy'. It may be an honest ideal, and logically speaking, it may be the inner meaning of non-co-operation. But the non-co-operation which the Congress has followed is not so logical and I claim that if the principle of non-co-operation is to be advanced as a test of my programme, let it be the same principle which the Congress has accepted, adopted and applied. As I have already said, that principle countenances destruction as well as creation. As a matter of fact, circumstanced as we are with the Bureaucracy to the right and the Bureaucracy to the left, Bureau. cracy all around us, it is impossible to create without destroying; nor must it be forgotten that if we break, it is only that we may build.

It has also been suggested that the very entry into the Councils is inconsistent with the ideal of non-co-operation. I confess I do not understand the argument. Supposing the Congress had sanctioned an armed insurrection, could it be argued that entry into the fort of the Bureaucracy is inconsistent with the principle of non-co-operation? Surely the charge of inconsistency must depend on the object of the entry. An advancing army does not co-operate with the enemy when it marches into the enemy's territory. Co-operation or non-co-operation must therefore depend on the object with which such entry is made. The argument, if analysed, comes to this that whenever the phrase "entry into Councils" is used it calls up the association of co-operation, and then the mere idea of this entry is proclaimed to be inconsistent with non-co-operation. But this is the familiar logical fallacy of four terms. Entry into the Council to co-operate with the Government and entry into the Councils to non-co-operate with the Government are two terms and two different propositions. The former is inconsistent with the idea of non-co-operation, the latter is absolutely consistent with that very idea.

Next let us understand the opposition from the point of view of the spirituality of our movement. The question of spirituality is not to be confused with the dictates of any particular religion. I am not aware of the injunctions of any religion against entering the Councils with a view either to mend them or end them. I have heard from many Mahomedans that the Koran lays down no such injunction. Other Mahomedan friends have told me that there may be some difficulty on that ground, but that is a matter with regard to which I am not competent to speak. The Khilafat must answer that question with such assistance as they may obtain from the Ulemas. It is needless to point out that should the Ulemas come to the conclusion that under the present circumstances it would be an offence against their religion to enter the Councils, the Congress should unhesitatingly accept their decision, because no work in this country towards the attainment of Swaraj is possible with-

out the hearty co-operation of both Hindus and Muslims. But I am dealing with that spirituality which does not affect any particular creed or any particular religion. Judged from the standpoint of such spirituality what objection can there be in removing from our path by all legitimate means any obstacle to the attainment of Swaraj? We burned foreign cloth without a scruple, and the spirituality of the movement did not receive a shock when we burned them. It is as well to start with a clear conception as to what that spirituality is. Apart from any creedal or doctrinal injunction and apart from any question of morality the basis of spirituality must be the attainment of freedom and of Swaraj. What is the duty which every human being owes not only to his race, not only to his nation, not only to humanity but also to his God? It is the right to fulfil oneself. It is the duty of living in the light of God. Shortly after my release from imprisonment I said in a public speech that all our national activities should be based on truth. Ever since that day questions and conundrums have been put to me. I have been asked to define what is truth. It has also been suggested that because I dared not tell the truth that I took refuge under the general expression, I still insist that our national activities must be based on truth. I repeat that I do not believe in politics, or in making water-tight compartments of our national life which is an indivisible organic whole. I repeat that as you cannot define life, you cannot define truth. The test of truth is not logical definition. The test of truth lies in its all-compelling force in making itself felt. You know truth when you have felt it. God cannot be defined, nor can truth, because truth is the revelation of God. Two thousand years ago, a jesting judge asked the same question of the Son of God. He made no answer by word of mouth; but he sacrificed himself and truth was revealed. When I speak of spirituality I speak of the same truth. I look upon history as the revelation of God. I look upon human individual personality, nationality and humanity each contributing to the life of the other as the revelation of God to man. I look upon the attainment of freedom and Swaraj the only way of fulfilling oneself as individuals, as nations. I look upon all national activities as the real foundation of the service of that greater humanity which again is the revelation of God to man. The Son of God brought to the world not peace but a sword—not the peace of death and immorality and corruption but the “separating sword” of Truth. We have to fight against all immorality. It is only thus that freedom can be attained. Whatever obstacles there may be in the path of Swaraj either of the individual or of the nation, or humanity at large, these obstacles must be removed by the individual if he desires his freedom, by the nation if that nation desires to fulfil itself, by all the nations of the world if the cause of humanity is to prosper. That being the spirituality of the movement as I understand it I am prepared to put away all obstacles that lie between the Indian nation and the attainment of its freedom, not stealthily but openly, reverently in the name of truth and God.

Judged from this ideal of spirituality the entry into the Councils for the purpose I have stated is necessary to advance the cause of truth. Everything in connection with the controversy must be judged by that standard.

At present the question before the country put by those members of the Civil Disobedience Enquiry committee who are in favour of Council entry is simply that the members of the Congress should stand as candidates. It is unnecessary therefore to go into other questions raised, such as in the matter of taking oath, the probability or otherwise of securing a majority and so on. With regard to the question of oath all that I need say at present is this, that apart from the dictates of any particular religion which I do not propose to deal with, the question does not present any difficulty at all. The oath is a constitutional one. The King stands for the constitution. Great changes in the constitution have taken place in England under that very oath. Now, what is the oath? It blinds those who take it,—first not to make any use of powers which are not allowed by the Reforms Act; secondly to discharge their duties faithfully. So far as the first point is concerned, there is nothing in my suggestion which militates against it. So far as the second point is concerned, I am aware that a forced interpretation has been sought to be put upon it, namely, that a member taking the oath is bound to discharge his duties faithfully to the Bureaucracy. All that I need say is, that there is no constitutional authority of any kind to justify that interpretation. To my mind, the words mean a faithful discharge of a member's duties to his constituency by the exercise of powers recognised under the Reforms Act. I do not therefore understand what possible objection there may be to take the oath. But there again the question does not arise at present.

Various other questions have been asked as to whether it is possible to secure a majority and as to what we should do supposing we are in a majority. I think it possible that having regard to the present circumstances of the country, the Non-co-operators are likely to get the majority. I am aware of the difficulty of the franchise, I am aware of the rules which prevent many of us from entering the Councils; but making every allowances for all these difficulties, I believe that we shall be in the majority. But here also the question doesn't arise till we meet in the Congress of 1923 when the matter may be discussed not on suppositions but on actualities.

As regards the question as to what we should do if you have the majority, the answer is clear. We should begin our proceedings by a solemn declaration of the existence of our inherent right, and by a formal demand for a constitution which would recognise and conserve those rights and give effect to our claims for the particular system of Government which we may choose for ourselves. If our demands are accepted, then the fight is over. But, as I have often said, if it is conceded that we are entitled to have that form of Government which we may choose for ourselves, and the real beginning is made with that particular form of Government in view, then it matters nothing

to me whether the complete surrender of power is made to us to-day, or in five years or even in twenty years. If, however, our demand is not given effect to, we must non-co-operate with the Bureaucracy by opposing each and every work of the Council. We must disallow the entire Budget. We must move the adjournment of the House on every possible occasion; and defeat every Bill that may be introduced. In fact we must so proceed that the Council will refuse to do any work unless and until our demands are satisfied. I am aware of the large powers of certification which Governors can exercise under the Reforms Act. But Government by certification is just as impossible as Government by Veto. Such procedure may be adopted on a few occasions. The time must soon come when the Bureaucracy must yield or withdraw the Reforms Act. In either case it is a distinct triumph for the nation, and either course if adopted by the Bureaucracy will bring us nearer to the realisation of our ideal.

Another question is often asked :—suppose we end these Reformed Councils,—what then? Could not the same question be asked with regard to every step the Congress has hitherto undertaken in the way of breaking, of destroying institutions. If we had succeeded in destroying the Educational Department, might not somebody ask—what then? If we had succeeded in destroying the legal institutions, might not the question be put with equal relevance? The fact is, destruction itself will never bring us Swaraj. The fact further is that no construction is possible without destruction. We must not forget that it is not this activity or that activity which by itself can bring Swaraj. It is the totality of our national activity in the way of destruction and in the way of creation, that will bring Swaraj. If we succeed in demolishing these Reformed Councils you will find the whole nation astir with life. Let them put other obstacles in our way; we shall remove them with added strength and greater vitality.

It has also been suggested that the Bureaucracy will never allow the Non-co-operators to enter the Councils,—they will alter the rules to prevent such entry. I cannot conceive of anything better calculated to strengthen the cause of Non-co-operation than this. If any such rule is framed I should welcome it and again change the direction of our activity. The infant nation in India requires constant struggle for its growth and development. We must not forget that a great non-violent revolution is on the land, and we shall change the direction of our activities as often as circumstances require it. To-day the Councils are open and we must be prepared to deal with the contingency when it arises. What do we do when it pours with rain? We turn our umbrella in the direction from which the water comes. It is in the same way that we must turn the direction of our activities whenever the fulfilment of our national life demands it.

The work of the Councils for the last two years has made it necessary for non-co-operators to enter the Councils. The Bureau-

cracy has received added strength from these Reformed Councils, and those who have entered the Councils, speaking generally, have practically helped the cause of Bureaucracy. What is most necessary to consider is the fact that the taxation has increased by leaps and bounds. The expenditure of the Government of India has grown enormously since the pre-war year 1913-14. In that year the total expenditure of the Government of India amounted to 79 crores and 37 lakhs; in 1919-20, it rose to 138 crores, and in 1920-21, the first year of the reformed system of administration, it stood at 149 crores. The expenses of the current year are likely to be even higher. To meet the successive increases in expenditure, additional taxation was levied in 1916-17, 1917-18, 1919-20, 1921-22, and 1922-23. We may prepare ourselves for proposals for further additional taxation in the ensuing year. In spite of the levy of additional taxation, seven out of the last nine years have been years of deficit.

The increase in military expenditure is chiefly responsible for the present financial situation. In 1913-14, the expenses of this department amounted to about 31½ crores, in 1919-20, after the conclusion of the war they mounted up to 87½ crores, and in 1920-21, they stood at 88½ crores. As Sir Visveswarya remarks, the expenses under the head "Civil Administration" also have shown a perpetual tendency to increase. As a part and parcel of the Reform Scheme, the emoluments of the members of the Indian Civil Service, the Indian Educational Service, the Indian Medical Service and of all the other services recruited in England have been enormously increased; and to maintain some kind of fairness the salaries of the subordinate services which are manned by Indians have also been increased.

The financial situation in the provinces is not much better. Under the financial arrangements of the Reform Scheme, the provinces of India, taken together, secured an accession to their resources of about 11 crores of rupees. Besides the provinces had between them in 1920-21 a total accumulated balance of 21 crores and 68 lakhs. But so great has been the increase in provincial expenditure during the last two years that even those provinces which had hoped to realise large surpluses are now on the verge of bankruptcy. In the first year of the reform era, most of the provinces were faced with deficits and were just able to tide over their financial difficulties by drawing upon their balances. But in the current year, the financial situation in many of the provinces has become worse. The Burma budget shows a deficit of 1 crore and 90 lakhs, the Punjab, 1 crore and 30 lakhs, Bihar and Orissa, 51 lakhs, Madras, 41 lakhs, the United Provinces, 27 lakhs, the Central Provinces, 37 lakhs. The deficit of the Madras Government would have been much higher had it not taken steps to increase its revenues by Rs. 77½ lakhs from fresh taxation. The Bengal statement shows an estimated surplus owing to the remission of the Provincial contribution to the Central Government and expected receipts from

fresh taxation amounting to 1 crore and 40 lakhs. But it is very doubtful if the expectation will be realised, and early next year further fresh taxes are likely to be imposed. Assam has budgeted for a deficit of 14½ lakhs after the imposition of additional taxation. Proposals for further taxation are under consideration in the Punjab, Bihar and Orissa, the Central Provinces and Assam. In the United Provinces the proposals brought forward by the Government were rejected by the Legislative Council.

I warn my countrymen against the policy of allowing these Reformed Councils to work their wicked will. There will undoubtedly be a further increase of taxation and there is an apprehension in my mind, I desire to express it with all the emphasis that I can command, that if we allow this policy of drift to continue the result will be that we shall lose the people who are with us to-day. Let us break the Councils if the Bureaucracy does not concede to the demands of the people. If there is fresh taxation, as it is bound to be, let the responsibility be on the Bureaucracy. Then you and I and the people will jointly fight the powers that be.

#### LABOUR ORGANISATION

I am further of opinion that the Congress should take up the work of Labour and Peasant organisation. With regard to labour there is a resolution of the Nagpur Congress, but I am sorry to say that it has not been acted upon. There is an apprehension in the minds of some non-co-operators that the cause of non-co-operation will suffer if we exploit Labour for Congress purposes. I confess again I do not understand the argument. The word "exploitation" has got an ugly association, and the argument assumes that Labour and Peasants are not with us in this struggle of Swaraj. I deny the assumption. My experience has convinced me that Labour and the Peasantry of India to-day are, if anything, more eager to attain Swaraj than the so-called middle and educated classes. If we are "exploiting" boys of tender years and students of colleges, if we are "exploiting" the women of India, if we are "exploiting" the whole of the middle classes irrespective of their creed and caste and occupation, may I ask what justification is there for leaving out Labourers and the Peasants? I suppose the answer is that they are welcome to be the members of the Congress Committees but that there should not be a separate organisation of them. But Labour has got a separate interest and they are often oppressed by foreign capitalist, and the Peasantry of India is often oppressed by a class of men who are the standard-bearers of the Bureaucracy. Is the service this special interest in any way antagonistic to the service of nationalism? To find bread for the poor, to secure justice to a class of people who are engaged in a particular trade or avocation—how is that work any different from the work of attaining Swaraj? Anything which strengthens the national cause, anything which supports the masses of India is



surely as much a matter of Swaraj as any other items of work which the Congress has in hand. My advice is that the Congress should lose no time in appointing a Committee, a strong workable Committee, to organise Labour and the Peasantry of India. We have delayed the matter already too long. If the Congress fails to do its duty, you may expect to find organisations set up in the country by Labourers and Peasants detached from you, dissociated from the cause of Swaraj, which will inevitably bring within the arena of the peaceful revolution class struggles and the war of special interests. If the object of the Congress be to avoid that disgraceful issue let us take Labour and the Peasantry in hand, and let us organise them both from the point of view of their own special interest and also from the point of view of the higher ideal which demands the satisfaction of their special interests and the devotion of such interest to the cause of Swaraj. Here again we have to make use of the very selfishness of Labourers and Peasants, as we know that the fulfilment of that very selfishness requires its just and proper contribution to the life of the nation.

#### WORK ALREADY TAKEN UP.

I now turn to the work which the Congress has already taken up. I may at once point out that it is not my desire that any work which the Congress has taken up should be surrendered. The change of direction which I advocate and the other practical change which I have mentioned is not by way of surrendering anything that is already on the plank—but it is simply by way of addition.

#### BOYCOTT OF SCHOOLS AND COLLEGES.

I am firmly of opinion that the boycott of schools and colleges should be carried on as effectively as before. I differ from the Civil Disobedience Enquiry Committee when they propose the abandonment of the withdrawal of boys from such Schools and Colleges. The question to my mind is of vital importance. It is on the youth of the country that the cause of Swaraj largely depends—and what chance is there for a nation which willingly, knowingly sends its boys, its young men to Schools and Colleges to be stamped with the stamp of slavery and foreign culture? I do not desire to enter into the question more minutely. I have expressed my views on the subject so often that I find it unnecessary to repeat them. I, however, agree with the recommendations of the Enquiry Committee that National Schools and Colleges should also be started.

#### BOYCOTT OF LAW COURTS AND LAWYERS.

With regard to the question of the boycott of lawyers and legal institutions I agree with the main recommendations of the Committee. Many questions have been raised as to whether the right of defence should be allowed or not, and on what occasions, and for what purposes. I have never been in love with formal rules and I think it impossible to frame rules which will cover all the circumstances

which may arise in particular cases. All that I desire to insist on, is the keeping in view of the principle of the boycott of courts.

#### HINDU-MUSLIM UNITY.

With regard to the questions of Hindu-Muslim unity, untouchability and such matters, I agree with the recommendation of the Enquiry Committee. I desire to point out, however, that true unity of all sections of the Indian nation can only be based on a proper co-operation and the recognition by each section of the rights of the others—that is why I propose that there should be a compact between the different sections, between different communities of India. We will do little good to the section known as Untouchables if we approach them in a spirit of superiority. We must engage them in the work before us, and we must work with them side by side and shoulder to shoulder.

#### KHADDAR.

I now come to the question of Khaddar which I regard as one of the most important questions before us. As I have already said, I am opposed to the manufacture of Khaddar on a commercial basis. I said among other things when I seconded the Bezwada resolution on the 31st of March 1921 proposed by Mahatma Gandhi:

“Our reason in asking the people to take to the Charkha was not based upon any desire to enter into any competition with foreign capitalist production either from without or from within. Our idea is to enable the people to understand and fashion for themselves their economic life and utilize the spare time of their families and opportunities with a view to create more economic goods for themselves and improve their own condition.” The idea is to make the people of this country self-reliant and self-contained. This work is difficult but essential and should be carried on with all our strength. I would much rather that few families were self-contained than factories were started on a large scale. Such factories represent a short-sighted policy, and there is no doubt that though it would satisfy the present need it will create an evil which it would be difficult to eradicate. I am naturally opposed to the creation of a new Manchester in India of which we have had sufficient experience. Let us avoid that possibility, if we can.

It is often stated that Khaddar alone will bring us Swaraj. I ask my countrymen in what way is it possible for Khaddar to lead us to Swaraj? It is in one sense only that the statement may be true. We must regard Khaddar as the symbol of Swaraj. As the Khaddar makes us self-contained with regard to a very large department of our national life so it is hoped that the inspiration of Khaddar will make the whole of our national life self-contained and independent. That is the meaning of the symbol. To my mind, such symbol worship requires the spreading out of all non-co-operation activities in every possible direction. It is thus and only thus that the speedy attainment of Swaraj is possible.

## CONCLUSION

It remains to me to deliver to you a last message of hope and confidence. There is no royal road to Freedom, and dark and difficult will be the path leading to it. But dauntless is your courage, and firm your resolution ; and though there will be reverses, sometimes severe reverses, they will only have the effect of speeding your emancipation from the bondage of a foreign government. Do not make the mistake of confusing achievement with success. Achievement is an appearance, and appearances are often deceptive. I contend that, though we cannot point to a great deal as the solid achievement of the movement, the success of it is assured. That success was proclaimed by the Bureaucracy in the repeated attempts which were made, and are still being made to crush the growth of the movement, and to arrest its progress, in the refusal to repeal some of the most obnoxious of the repressive legislations, in the frequent use that has been made of the arbitrary or discretionary authority that is vested in the executive government, and in sending to prison our beloved leader who offered himself as a sacrifice to the wrath of the Bureaucracy. But though the ultimate success of the movement is assured, I warn you that the issue depends wholly on you, and on how you conduct yourselves in meeting the forces that are arrayed against you. Christianity rose triumphant when Jesus of Nazareth offered himself as a sacrifice to the excessive worship of law and order by the Scribes and the Pharisees. The forces that are arrayed against you are the forces, not only of the Bureaucracy, but of the modern Scribes and Pharisees whose interest it is to maintain the Bureaucracy in all its pristine glory. Be it yours to offer yourselves as sacrifices in the interest of truth and justice, so that your children and your children's children may have the fruit of your sufferings. Be it yours to wage a spiritual warfare so that the victory, when it comes, does not debase you, nor tempt you to retain the power of Government in your own hands. But if yours is to be a spiritual warfare, your weapons must be those of the spiritual soldier. Anger is not for you, hatred is not for you ; nor for you is pettiness, meanness or falsehood. For you is the hope of dawn and the confidence of the morning, and for you is the song that was sung of Titan, chained and imprisoned, but the Champion of Man, in the Greek fable :

To suffer woes which Hope thinks infinite ;  
 To forgive wrongs darker than death of night ;  
 To defy Power, which seems omnipotent ;  
 To love, and bear ; to hope till Hope creates  
 From its own wreck the thing it contemplates ;  
 Neither to change, nor falter, nor repent ;  
 This, like thy glory, Titan, is to be  
 Good, great and joyous, beautiful and free ;  
 This is alone Life, Joy, Empire and Victory.

**BANDE MATARAM.**

# Resolutions of the Gaya Congress

## Condolences.

1. This Congress places on record its deep sense of the loss sustained by the country in the death of Babu Motilal Ghose and offers its condolence to his family.

This Congress has learnt with grief of the death of Babu Ambikacharan Mozumdar, one of its ex-Presidents, and places on record its deep sense of the loss sustained thereby by the country.

## Tribute to Mahatma Gandhi.

2. This Congress places on record its grateful appreciation of the services of Mahatma Gandhi to the cause of India and Humanity by his message of Peace and Truth and reiterates its faith in the principle of Non-Violent Non-Co-operation inaugurated by him for the enforcement of the rights of the people of India.

## To Sufferers.

3. This Congress places on record its profound appreciation of the services rendered to the National Cause by all those brave citizens, who have suffered in pursuance of the programme of voluntary suffering and who, in accordance with the Congress advice, without offering any defence or bail, served and are serving various periods of imprisonment, and calls upon the Nation to keep alive this spirit of sacrifice and to maintain unbroken the struggle for freedom.

## Akalis.

4. This Congress records with pride and admiration its appreciation of the unexampled bravery of the Akali Martyrs and the great and noble example of non-violence set by them for the benefit of the whole Nation.

## Khilafat.

5. "This Congress congratulates Ghazi Mustafa Kamal Pasha and the Turkish Nation on their recent successes and further records the determination of the people of India to carry on the struggle till the British Government has done all in its power and removed all its own obstacles to the restoration of the Turkish Nation to free and independent status and the conditions necessary for unhampered national life and effective guardianship of Islam and the Jazirat-ul-Arab freed from all non-Muslim control "

## Boycott of Councils

6. Whereas the boycott of Councils carried out during the elections held in 1920 has destroyed the moral strength of the institutions through which Government sought to consolidate its power and carry on its irresponsible rule :

And whereas it is necessary again for the people of India to withhold participation in the elections of the next year as an essential programme of Non-Violent Non-co-operation :

This Congress resolves to advise that all voters shall abstain from standing as candidates for any of the Councils and from voting for any candidate offering himself as in disregard of this advice, and to signify the abstention in such manner as the All India Congress Committee may instruct in that behalf.

### Repudiation of Debts

7. Whereas by reason of unjustifiable military expenditure and other extravagance, the Government has brought the national indebtedness to a limit beyond recovery ; and whereas the Government still pursues the same policy of extravagance under cover of the authority of the so-called representative assemblies constituted without the suffrages of a majority or any substantial fraction of the voters and despite their declared repudiation of the authority of such assemblies to represent the people :

And whereas if the Government is permitted to continue this policy, it will become impossible for the people of India ever to carry on their own affairs with due regard to the honour and happiness of the people and it has therefore become necessary to stop the career of irresponsibility ;

This Congress hereby repudiates the authority of the legislatures that have been or may be formed by the Government in spite of the national boycott of the said institutions in future to raise any loans or to incur any liabilities on behalf of the nation, and notifies to the world that on the attainment of Swarajya the people of India though holding themselves liable for all debts and liabilities rightly or wrongly incurred hitherto by the Government will not hold themselves bound to repay any loans or discharge any liabilities incurred on and after this date on the authority or sanction of the so-called legislatures brought into existence in spite of the national boycott.

### Civil Disobedience.

8. This Congress reaffirms its opinion that Civil Disobedience is the only civilized and effective substitute for an armed rebellion when every other remedy for preventing the arbitrary, tyrannical and emasculating use of authority has been tried :

And in view of the wide-spread awakening of the people to a sense of the urgent need for Swarajya and the general demand and necessity for Civil Disobedience in order that the national goal may be speedily attained and in view of the fact that the necessary atmosphere of non-violence has been preserved in spite of all provocation :

This Congress calls upon all Congress workers to complete the preparations for offering Civil Disobedience by strengthening and expanding the National Organisation and to take immediate steps for the collection of at least Rs. 25 lakhs for the Tilak Swarajya Fund and the enrolment of at least 50,000 volunteers satisfying the conditions of the Ahmedabad pledge by a date to be fixed by the All-India Congress Committee at Gaya, and empowers the Committee to issue necessary instructions for carrying this resolution into practical effect.

NOTE :—The powers of the Provincial Committees under the resolution of the All-India Congress Committee passed at Calcutta on the 20th November, 1922, shall not be affected by this resolution.

### Turkish Situation.

9. In view of the serious situation in the Near East which threatens the integrity of the Khilafat and the Turkish Government and in view of the determination of the Hindus, Mussalmans and all other peoples of India to prevent any such injury, this Congress resolves that the Working Committee do take steps in consultation with the Khilafat Working Committee in order to secure united action by the Hindus, Mussalmans and others, to prevent exploitation of India for any such unjust cause and to deal with the situation.

### Boycott of Educational Institutions.

10. With reference to the boycott of Government and Government aided and affiliated educational institutions, this Congress declares that the boycott

must be maintained, and further resolves that every Province should be called upon to put the existing national institutions on a sound financial basis and to improve their efficiency in every possible way.

#### Boycott of Law Courts.

11. This Congress declares that the boycott of law courts by lawyers and litigants must be maintained and further resolves that greater efforts should be made to establish Panchayats and to cultivate public opinion in their favour.

#### Private Defence.

12. This Congress declares that Non-Co-operators are free to exercise the right of private defence within the limits defined by law except when carrying on Congress work or on occasions directly arising therefrom, subject always to the condition that it is not likely to lead to general outburst of violence.

NOTE:—Using force in private defence in gross cases, e. g. insults to religion, outrages on the modesty of woman, or indecent assaults on boys and men is not prohibited under any circumstances.

#### Labour Organisation.

13. Whereas this Congress is of opinion that Indian Labour should be organised with a view to improve and promote their well-being and secure to them their just rights and also to prevent exploitation of Indian Labour and of Indian resources, it is resolved that this Congress, while welcoming the move made by the All-India Trade Union Congress and various Kisan Sabhas in organising the workers of India, hereby appoints the following Committee with power to co-opt to assist the Executive Council of the All-India Trade Union Congress for the organisation of Indian Labour, both agricultural and industrial:—

Committee.—C. F. Andrews, J. M. Sen Gupta, S. N. Haldar, Swami Dinanand, Dr. D. D. Sathaye, M. Singaravelu Chettiar, and E. L. Iyer.

#### Affiliation.

14. This Congress resolves that the Natal Indian Congress Committee, Durban, the British Indian Association, Johannesburg, the British Indian League, Cape-town, and the Point Indian Association, Durban, be affiliated with power to send ten delegates—this number to be allotted amongst themselves by agreement to be reported to the All-India Congress Committee.

This Congress resolves that the Kabul Congress Committee be affiliated, with power to send two delegates.

#### General Secretaries.

15. This Congress places on record its grateful thanks for the valuable services rendered by the out-going General Secretaries, Pandit Motilal Nehru, Dr. M. A. Ansari and Sjt. C. Rajagopalachariar.

This Congress appoints M. Moazzam Ali, Sjt. Vallabhbhai J. Patel and Sjt. Rajendra Prasad as General Secretaries for the next year.

#### Treasurers.

16. This Congress re-appoints Seth Jamnalal Bajaj and Seth M. M. H. J. M. Chotani as Treasurers.

#### Next Sessions.

17. This Congress resolves that its next session be held in Andhra Desha.

# Proceedings of the Congress

## The Subjects Committee Proceedings

*GAYA—23RD, DECEMBER 1922*

The Subjects Committee of the National Congress met for the first time at Gaya on the 23rd. December with some 200 members and 100 visitors. The Press was excluded.

### WORK FOR THE SESSION.

The outgoing Secretaries submitted the draft programme of work for the Congress session including resolutions. The following is the text of the same.

"1. At the last meeting of the Working Committee held in Calcutta on the 18th and 19th November 1922 eight resolutions were adopted to be placed before the meeting of the All-India Congress Committee for discussion. The later Committee met in Calcutta on the 20th November 1922 and passed the resolution relating to Civil Disobedience. The next resolution taken up related to contesting Council elections by non-co-operators. This was discussed for four days and eventually referred to the Gaya Congress. The remaining six resolutions were referred to the Gaya Congress without any discussion. The following are the seven resolutions so referred.—

### REFERRED RESOLUTIONS.

(1) The Committee accepts the recommendations of the Civil Disobedience Enquiry Committee regarding the question of the boycott of British goods and resolves that in as much as it is impossible at present to boycott all British goods, the question be referred to a Committee for a full report as to what goods may be successfully boycotted and that such report be submitted and circulated before the next Congress meets. Resolved further that the Congress programme regarding Khaddar and the boycott of all foreign cloth shall not be affected by the resolution. The following gentlemen shall be members of the said Committee :—Sjts N. C. Sen, J. K. Mehta and N. C. Kelkar.

(2) This Committee declares that it is desirable for Non-Co-operators to seek elections to Municipalities and District or Local Boards with a view to facilitate the working of the constructive programme, but considers that no hard and fast rules should at present be laid down to regulate or restrict the activities of Non-co-operating members beyond advising them to act in harmony with Local or Provincial Congress organizations.

(3) With reference to the boycott of Government and aided educational institutions, this Committee accepts the recommendation of the Civil Disobedience Enquiry Committee and declares that the boycott of Government and aided educational institutions is sound in principle and that it must be maintained as an ideal to be always kept in view and followed so far as practicable. This Committee resolves that all active propaganda calling upon boys to come out of schools and colleges be suspended for the present. This Committee resolves

further that without resorting to picketting or other aggressive propaganda reliance should be placed upon the superiority of national schools or colleges for drawing scholars from Government or aided institutions and in that view every province should be called upon to put the existing national educational institutions on a sound financial basis and to improve their efficiency in every possible way.

(4) This Committee declares, in accordance with the recommendation of the Civil Disobedience Enquiry Committee, that the boycott of Law Courts by litigants and lawyers must be maintained as an ideal, but, having regard to the difficulties which the country has experienced, resolves : (i) That greater effort should be made to establish panchayats and to cultivate a strong public opinion in their favour. (ii) That the right of the electors to elect whom they please should not be restricted by imposing any disabilities upon practising lawyers as such and that the Congress should withdraw those disabilities and put them on the same footing as others who have signed the Congress creed. (iii) That the principle of "no defence and no bail" should be followed by Non-co-operators accused of offences of a political nature, but need not be extended to other cases. (iv) That resort to Law Courts by the parties in Civil or Criminal cases of a non-political nature should be left to their discretion.

(5) This Committee is of opinion that the following resolution passed by the Congress at Nagpur should be carried out without further delay and appoints the gentlemen named below to carry out the resolution : (Names to be supplied). That this Congress is of opinion that Indian labour should be organised with a view to improve and promote their well-being and secure to them their just rights and also to prevent exploitation (1) of Indian labour (2) of Indian resources by foreign agencies and that the All-India Congress Committee should appoint a Committee to take effective steps in that behalf.

(6) This Committee resolves that individuals should be given full freedom to exercise the right of private defence, within the limits defined by law except when carrying on Congress work or on occasions directly arising therefrom, subject always to the condition that it is not likely to lead to a general outbreak of violence.

Note—Using force in private defence in gross cases such as insults to religion, outrages on the modesty of women, or indecent assaults of boys and men is not prohibited under any circumstances.

(7) Whereas the working of the Legislative Councils during their first term has, besides proving a serious impediment to the redress of the Khilafat and Punjab wrongs and the speedy attainment of Swaraj caused great misery and hardships to the people and whereas it is desirable that steps should be taken in strict accordance with the principles of non-violent non-co-operation to avoid the recurrence of the evil, it is resolved, with reference to the report of the Civil Disobedience Enquiry Committee, that this Committee recommends to the Congress that Non-co-operators should contest the elections on the issue of the redress of the Punjab and Khilafat wrongs and immediate Swaraj and make every endeavour to be returned in a majority. It is further recommended that in view of the new Councils assembling early in January 1924 the Congress session of 1923 be held during the first instead of the last week of December and the matter be again brought up for such final mandate by the Congress as it may under the circumstances deem fit to issue.

#### OTHER ITEMS OF BUSINESS.

"2. The following resolution has been recommended by the Berar Provincial Congress Committee :—This Provincial Congress Committee recommends to the ensuing session of the Indian National



Congress at Gaya that it be resolved that, consistent with the principles of non-violent non-co-operation, non-co-operators should contest the ensuing election and make every endeavour to be elected in a majority to abide by the policy that will be laid down by the Congress of 1923.

"3. Affiliation of Kabul and Natal Congress Committees.

"4. Hindu-Muslim Unity Scheme to be presented by Deshbandhu Das and Hakim Ajmal Khan Sahab.

"5. Foreign propaganda.

"The following resolutions are suggested by Messrs. Rajagopalachariar and Motilal Nehru for consideration by the Subjects Committee.—

"6. This Congress resolves that the constructive programme as set out in the Bardoli resolution be placed for execution in charge of an independent board of management consisting of representatives of all shades of political opinion within the Congress.

"7. This Congress in this its first meeting after the imprisonment of Mahatma Gandhi places on record his services to the cause of humanity by his message of peace and truth and reiterates its faith in the principle of Non-violent Non-co-operation inaugurated by him for the enforcement of the rights of the people of India.

"8. This Congress congratulates Ghazi Kemal Pasha and the Turkish nation in their recent success and further records the determination of the people of India to carry on the struggle till the British Government has done all in its power and removed all its own obstacles to the restoration of the Turkish nation to free and independent status and the conditions necessary for unhampered national life and effective guardianship of Islam and the Jazirat-ul-arab freed from all Non-Muslim control.

"9. This Congress earnestly appeals for further vigorous efforts to spread hand-spinning and hand-weaving in order that the complete economic independence of the nation may be secured and the speedy attainment of Swaraj may thereby be ensured.

"10. This Congress places on record its profound appreciation of the services rendered to the National cause by all those brave citizens who have suffered in pursuance of the programme of voluntary suffering and who, in accordance with the Congress advice without offering any defence or bail, served and are serving various periods of imprisonments and calls upon the nation to keep alive this spirit of sacrifice and to maintain unbroken the struggle for freedom.

"11. This Congress records with pride and admiration its appreciation of the unexampled bravery of the Akali martyrs and the great and noble examples of non-violence set by them for the benefit of the whole nation."

On the presentation of the above draft programme the Subjects Committee proceeded to discuss it and frame resolutions to be submitted to the open session on the 26th and the following days.

The sitting lasted for two hours only. Four resolutions were adopted. These are the last four in the above list.

On the Committee assembling on the next day, December 24th, Mr. Rajagopalachari asked for leave to move a resolution to reaffirm the principle of non-co-operation on the lines accepted in the previous Congress sessions.

The President immediately expressed his wish that the motion may be deferred till after the Presidential address.

A member asked if it was a mere expression of a desire on his part or a definite ruling. The President replied it was his ruling.

Mr. Rajagopalachari moved that No. 7 of the resolutions relating to Council entry be taken into consideration.

The President said he could not allow it for the reason already stated by him with reference to Mr. Rajagopalachari's first motion.

After a passage-at-arms between some members Mr. Vallabhai Patel moved for adjournment of the Subjects Committee till after the President's address. This raised several points of order which was finally settled by the President's ruling that he had got every right to arrange the order of business as he thought desirable and directed that the resolutions in the draft programme be considered in the order in which they appeared on the agenda.

Dr. Ansari then moved the first resolution on the agenda paper (see p. 850 No. 1).

Dr. Ansari moved the resolution in an Urdu speech detailing at length the circumstances under which the C. D. Enquiry Committee recommended the boycott of British goods.

Mr. C. S. Ranga Iyer seconding the resolution said that commercial jealousy was rampant in Europe and that it should be exploited in the interest of India to injure British Trade as much as possible, as boycott of British goods was necessary to bring the British to their knees. Several amendments were then suggested but discussion turned generally on the question of boycott or no boycott on principle. Dr. P. Sitaramayya opposed boycott as they were not formulating a method of retaliation. Mr. Harisarvatama Rao said that the resolution should be deleted altogether as it was opposed to the non-violent creed of the Congress, for boycott involved hatred. Mr. Aney of Berar reflecting the Marhatta view made a lengthy speech supporting boycott. Mr. S. Satyamurti supported the resolution. A few more speeches were made after which closure was moved. The President declined to apply as he said he intended to close the debate when members who had sent in their names had an opportunity to speak.

#### MR. C. RAJAGOPALACHARI.

Mr. C. Rajagopalachari opposed the resolution. He said he was aware there was a considerable body of opinion who in other matters accepted his views but were not prepared to agree with him in this question of boycott. He told his hearers that Mahatma

Gandhi was opposed to it and if he were present in their midst, he would certainly oppose any suggestion of boycott of British goods. As opinions were divided very sharply the speaker did not propose to advance any elaborate arguments. He desired the assembly to take the common sense view. If the resolution was accepted under the authority of the Congress it would interfere with the constructive programme in Khaddar, whatever might be the reservations that might be made in that matter. Those who manufactured mill cloth and others who imported foreign cloth would take advantage of the resolution and impede progress in Khaddar. If they should carry forward successfully any aggressive programme, it was absolutely necessary to ensure the atmosphere necessary. That depended upon the extra care in their action as well as in their feeling. Even supposing there was no personal hatred involved in boycott, the necessary amount of work that should be done in successfully carrying out the resolution would certainly interfere with getting the atmosphere essential for any legitimate aggressive propaganda. Again the whole country would know that Mahatmaji was against boycott. Did the country after his arrest stand by him or not? The Government contended that as Mahatmaji had been taken away his followers were unable to work. They contended on the other hand that even without Mahatmaji they could go on with the work. The resolution was the real test. If they proved to the world that they held Mahatmaji had on them before his imprisonment did not exist to-day in the same strength as before, because he was not there to lead them, the cause of Swaraj would without any doubt be weakened. The responsibility was very heavy on them. They must restrain their feelings and conserve their strength by rejecting the resolution.

After a few more speeches the meeting adjourned.

### *DECEMBER 25TH, 1922*

The Subjects Committee continued sitting at 9 o'clock on the 25th Dec. and finished discussion on boycott of British goods by 11-30 A.M. All amendments except the substitution of the words "within the next two months" at the end of the resolution for "as soon as possible" were withdrawn. Dr. Ansari accepted this time-limit amendment and the resolution as amended was put to the meeting.

Mr. Stokes was one of the speakers in support of the resolution. He said the question was not whether boycott implied hatred or retaliation. He entirely repudiated the suggestion. The only standpoint from which they should view the resolution was the future of this country. For winning Swaraj he believed boycott would really help the country. After all, what the resolution proposed to do was to refer the question to an expert Committee who would be most competent to decide what goods should be boycotted and how the boycotted goods could be replaced.

MR. ABHYANKAR.

Mr. Abhyankar made a vigorous speech supporting the resolution. He regretted that adjournment of the Subjects Committee was not granted and that opportunity could not be had for deciding upon the most reasonable and acceptable interpretation of the term Non-violent Non-co-operation. He expressed regret because they had reached a stage in the political discussion when they could not proceed further unless they understood what exactly non-violence meant. If boycott was held to militate against non-violence, he should then say that non-violence was running amock. Love and hatred were counterparts of the same thing. If they loved 'Punaya', they must hate sin and if they loved Indian goods, they must hate British goods. Boycott of British goods did not create any hate against British people. In the words of Mahatmaji boycott did not create contempt or hatred, but only disaffection and, if they were true to themselves, they could not have any affection for British goods. It might be that Mahatmaji was against boycott of British goods. In their loyalty to Mahatma they should not be less faithful to themselves and to the country, for, after all, Mahatma was for the country and not the country for Mahatma. He appealed to the meeting to consider the proposition calmly and coolly, without trying to soar when they could not flutter in regions of spirituality and 'puritanism, and take a practical view point on this important question of boycott.

Mr. D. Gopalkrishnayya, in supporting the resolution, said they were boycotting many things and more boycott was implied in the resolution of non-co-operation passed at the previous Congress though that word did not occur. Therefore there was no question of hatred involved in it and the expression was only a matter of taste.

MR. SRINIVASA IYENGAR.

Mr. S. Srinivasa Ayyangar made a lengthy speech commending the resolution to the acceptance of the Committee. He had understood Mahatmaji to say, Mr. Ayyangar said, that non-violent Non-co-operation in the Congress was a political creed. Satyagraha was a different thing. Some of the Non-co-operators in Congress might be Satyagrahis, but the Congress itself was not committed to that creed. The only question before them was duty to the country. Patriotism and national interest required that they should launch on a campaign of boycott. He was absolutely unable to say that it was either irreligious or dishonorable.

A number of others spoke including Messrs. Rajendra Prasad, Zahoor Ahmad, Siva Prasad Gupta and Dunichand of Ambala, when the President asked if the movers of the different amendments desired to press them. All amendments were with-

drawn, except one, and the following is the amended resolution as finally read by Dr. Ansari :—

"The Congress accepts the recommendation of the Civil Disobedience Enquiry Committee with regard to boycott of British goods and resolves that the question be referred to a Committee for a full report as to what British goods may be successfully boycotted and the places from where such goods may be easily obtained and that the said report be submitted to the All-India Congress Committee meeting within the next two months."

A division was taken with the result that 146 voted for and 129 against.

The Committee then adjourned.

The Congress opened its Session on the 26th.  
(For the Presidential Address and the Address of the Chairman, Reception Committee, see before).

## 2nd day's Proceedings of the Congress

The Congress met on the 27th to pass five resolutions.

After expressing condolences the following resolutions were put from the chair and passed, the entire audience standing.

"This Congress places on record its grateful appreciation of the services of Mahatma Gandhi to the cause of India and Humanity by his message of Peace and Truth and reiterates its faith in the principle of Non-violent Non-co-operation inaugurated by him for the enforcement of the rights of the people of India."

"This Congress places on record its profound appreciation of the services rendered to the National cause by all those brave citizens who have suffered in pursuance of the programme of voluntary suffering and who, in accordance with the Congress advice, without offering any defence or bail, served or are serving various periods of imprisonment, and calls upon the Nation to keep alive this spirit of sacrifice and to maintain unbroken the struggle for freedom."

"This Congress records with pride and admiration its appreciation of the unexampled bravery of the Akali martyrs and the great and noble example of non-violence set by them for the benefit of the whole Nation."

Mrs. Sarojini Naidu then moved the following resolution:—

"This Congress congratulates Ghazi Kamal Pasha and the Turkish Nation on their recent successes and further records the determination of the people of India to carry on the struggle till the British Government has done all in its power and removed all its own obstacles to the restoration of the Turkish Nation to free and independent status and the conditions necessary for unhampered National life and effective guardianship of Islam and the Jazirat-ul-Arab freed from all Non-muslim control."

Mrs. Naidu in urging the resolution for acceptance by the Congress said that those who accused them of narrow patriotism or blind and bitter local patriotism would find a refutation of those accusations in this one resolution which carried them as a united body across the seas to extend the hand of fellowship to those indomitable Turks who under the leadership of Ghazi Mustapha Kemal Pasha had broken once for all the bondage of Asiatic peoples. In congratulating Mustapha Kemal they were congratulating the Turkish Nation and the embodied soul of Turkish honour. They were also congratulating and honouring themselves by assuring the indomitable Turks that the people of India would continue the struggle till the enemy of the Turkish Nation, the British Government, whether in India or in England, had removed with its own hand the obstacles it created out of its own passionate desire of crushing the very Soul of Islam out of the Christian continent. They pledged themselves to the uttermost in this way so that their ultimate peace might be the peace of Asia and deliverance of Asia from bondage. But they were assuring the Turkish Nation not merely of their determination to continue the struggle till Turkey became an independent Nation, till all those Koranic injunctions were fulfilled and till spiritual supremacy of the Khilafat whose seat is the capital of the Turkish Nation was saved, and further more till the Jazirat-ul-Arab was free from all non-Muslim control. The Muslim people should have full and unbroken and unchallenged control over the graves of the founders and sustainers of Islam. Therefore, in the name of the people of India, she pledged to the Turkish Nation their assurance of the bond of love and fellowship, that while there was the menace of one single non-Muslim hand and the shadow of non-Muslim control to that sacred Island where the revelation of the one God came to the Dreamer in the desert, and who tending His camel received from the heavens the illumined

nation of that central truth of Democracy that all in a come brotherhood, they (Hindus), would continue the battle and would be doubly bound to sustain the honour of India because the Islamic brothers were in small minority in this land. Mrs. Naidu further assured that Islam would not die so long as there was a single life in India, to die for its freedom and if rivers of the blood must flow before Islam could be free, then it would surely be the confluent blood of Hindus and Muslims (applause).

Mr. G. Harasvethawa Rao in supporting the resolution said that if there was one religion which was alive to-day it was Mahomedanism and therefore the triumph of Mahomedanism was the triumph of spiritual life and in the life hereafter. From that point of view, the success of Kemal Pasha was an event which would be writ large in the history of the world. Standing as the disciple of Gandhi and for non-violence in supporting this cause he said: "But my belief of the supreme necessity of 'Satwa' does not rule out of this world other methods of achievement. My belief in 'Satwa' is only the belief in the best and highest method, but there are other methods, human methods, imperfect methods, which may not ultimately be supreme methods, but all these methods are legitimate and may be used by those who have to struggle for liberty. (Hear, Hear.) I think therefore that this question of non-violence does not enter in congratulating Ghazi Mustapha Kemal or Turkey."

#### AN AMENDMENT.

Mr. Shiv Prasad Gupta moved an amendment substituting the word 'foreign control' for words 'non-Muslim control'. As soon as Mr. Gupta came to the rostrum he bowed before the photo of Mustapha Kemal in whom he read the spirit of Liberty which would spread all over the East and liberate the subordinate nations. He reminded the audience that the Congress stood for Liberty and they were all worshippers in the temple of Liberty. He did not want to see any nation ruling over another. He would like to see the British leaving India to-morrow. The same feeling would make him oppose France ruling over Germany and the Turks ruling over Arabia. His amendment would therefore have the effect of declaring that the Jasirat-ul-Arab should not be under foreign control even if such control was that of another Muslim Nation, and that the Arabians should be their own masters.

Babu Bhagwan Das seconded the amendment while Hakim Ajmal Khan strongly opposed it. The latter said that Islam enjoined upon all Moslems to keep the Jasirat-ul-Arab free from the hands of all non-Muslims. For this purpose it is necessary that the power of defending it should be sufficiently strong to ward off and successfully defend it against the invasion of all non-Muslims. He would like liberty for all nations but if the Government of Arabia was left to itself, it would not be able to defend the country from European nations whose warships frequented its shores and it would again fall in the hands of one non-Muslim power or other. The question as to whether Arabs would enjoy autonomy within the Turkish Empire or independently should be left to the Arabs and Turks to settle between themselves.

#### ORIGINAL MOTION PASSED.

Mrs. Naidu replying pointed out that it was part and parcel of the Khilafat question that the Arabs should owe allegiance to the Khalifa.

Pandit Motilal Nehru came to the rostrum and put the amendment to vote. Ordes were heard from remote sides of the pandal asking as to what the resolutions and the amendment were. Pandit Motilal thereupon explained in loud voice the difference between the two propositions and when votes were called a number of hands were raised in favour of the amendment. But the majority were against it. The original resolution was passed.

## Subjects Committee Proceedings

27TH DECEMBER 1922

The Subjects Committee at its sitting on the 27 December gave a prolonged consideration to the resolutions on the Council question, over ten in number. Besides the resolutions of Pandit Motilal Nehru and Mr. C. Rajagopalachari, the following is a list of the other resolutions proposed. Discussion in the strict sense there was not, but resolutions were moved and seconded with brief speeches from those responsible for them.

Mr. Jamnadas Mehta's resolution was in the following terms :—

That in view of the Report of the Civil Disobedience Enquiry Committee this Congress is of opinion that Congress-men should contest the elections on the issue of the redress of the Punjab and Khilafat wrongs and immediate Swaraj and make every endeavour to be returned in a majority.

It is further recommended that in view of the new Councils assembling early in January 1924, the Congress session of 1923 be held during the first instead of the last week of December and the matter be again brought up for final decision by the Congress as regards the policy to be pursued by Congress-men in the Legislative Councils.

The following is Babu Bhagwan Das's resolution :

While this Congress believes that substantial progress in the constructive programme is the surest way of again training the people in the art of local self-government and is the indispensable foundation of a stable Swaraj and is the necessary preparation for the successful carrying out of mass civil disobedience as the final weapon against the common enemy, viz., the irresponsibility of the bureaucracy, and while it thinks that sufficient steady, patient, plodding work has not been done by the Congress organisation towards the realisation of the constructive programme and therefore insists that more work should be done along this line by all workers at the same time, this Congress sees that there is a considerable body of opinion in the country which in the present conditions strongly favours the contesting of elections to the official councils, though there is also another very considerable body of opinion to the effect that to do so for mere obstruction and wrecking or for any other purpose is doubtful in principle and not likely to succeed in practice and, therefore, taking into account all the circumstances, this Congress thinks it a legitimate and permissible line of work, for such members as are convinced of the goodness of its principle and policy, to contest elections, provided that Congress funds shall not be used for the purpose.

Mr. Sen Gupta moved his resolution which ran thus :

Whereas this Congress is of opinion that civil disobedience is the only weapon left to the people of India for the redress of the Punjab and Khilafat wrongs, and for the speedy attainment of Swaraj and whereas it is necessary to bring about a more effective boycott of the Councils, non-co-operators should contest the elections to the councils but shall refuse to take the seats when elected.

Mr. Srinivasa Iyyengar's resolution took the following form :

This Congress once again places on record its fixed determination to continue the programme of Non-violent Non-co-operation with greater vigour than hitherto in the manner indicated below and in such manner as each province



may determine, till the Punjab and Khilafat wrongs are redressed and Swaraj is established and the control of the Government of India passes into the hands of the people from that of an irresponsible co-operation.

Whereas notwithstanding the fact that the majority of the electors in the whole country abstained from voting at the council elections of 1920, many Indians allowed themselves to be elected thereto and did not resign their seats in spite of their being so advised by the Nagpur Congress, with the result that, though the new councils do not represent the country, they are used to consolidate the power of the present system of Government in India which the Congress has resolved to put an end to

This Congress earnestly advises, with a view to render the boycott of councils more effective than it was in 1920, all electors to vote for Congressmen, who shall, when elected absolutely, refrain from taking their seats in the Councils.

Mr. A. Rangaswamy Aiyengar had a resolution in his name to this effect :—

In view of the fact that opinion is sharply divided on the question of entry into councils, this Congress resolves that, as in the case of the boycott of law courts and schools, all activities in connection with the promotion of the boycott of councils be suspended pending the completion of the constructive programme in order to start some form of aggressive civil disobedience and that in the meanwhile those Congressmen who desire to seek election may be allowed to do so.

Mr. S. E. Stokes' motion to delete the preamble from Mr. Nehru's resolution on the ground that the statements contained in it were open to question was accepted by Mr. Nehru.

Mr. Babu Ram moved to refer the boycott of councils for final decision to a special Congress to be held three months hence.

After all these motions had been moved, Pundit Madan Mohan Malaviya made a brilliant address lasting for nearly an hour. He spoke very feelingly about Mahatma's imprisonment and the futility of the work which the A. I. C. C. was doing outside when Mahatma was inside the prison. He considered that the best way of proceeding forward was to enter the councils solidly and using that weapon to break the citadel of the bureaucracy. He attempted hard to persuade the members who were for obstruction or postponement to take his view.

#### THE VOTING

\* Immediately after Pandit Malaviya's speech a desire was expressed to proceed to voting without further speeches.

The President consulted the wishes of the assembly and the majority were in favour of it but as it was already late it was agreed to adjourn the meeting till noon next day for the voting.

**28TH DECEMBER 1920**

The Subjects Committee met at 1 o'clock on the 28th and carried on a discussion on the Council question till 5 when the resolution and amendments began to be put. But it was not until after nearly

4 hours that the result of the voting could be announced. Considerable time was devoted to the interpretation of the decision of the Jamiat-ul-Ulema against Council entry.

Hakim Ajmal Khan, Dr. Ansari, Mr. Moazzam Ali, Mr. Sherwani and Mr. Zahoor Ahmed were the principal speakers and the general opinion seemed to be that, even though the Ulemas' resolution could not be taken to be a 'fatwa' the fact that learned Moulvis and divines had taken a certain definite attitude in respect of Council entry must have a very considerable effect on the Muhamadan community though it might not carry the same weight with Hindus.

Hakim Ajmal Khan interpreted the Ulemas' decision as leaving open the question of Council entry being religious or otherwise. He thought that it was not a 'fatwa' in the absence of a unanimity among Ulemas.

Dr. Ansari said that the decision of the Ulemas might not be a fatwa, but as 70 members of the Jamiat-ul-Ulema had come to a conclusion against Council entry, Muhammadan voters would not go to the polling booth, despite the best efforts of candidates. As a practical proposition council entry was out of question. Moreover the expenditure of money, time and energy in contesting the elections was not worth the game.

Messrs. Sherwani and Zahoor Ahmed differed from Dr. Ansari.

#### END OF DISCUSSION

The debate closed at 5 o'clock, when voting was proceeded with. There were 11 motions on the paper. Mr. Nehru's motion was taken to be the principal resolution, while others were treated as amendments.

Mr. Rajagopalachari in moving his motion as amendment to Mr. Nehru's main proposition did not make any speech but merely contented himself by explaining one or two technical points.

Mr. Vallabhai Patel of Ahmedabad who formally seconded the motion also made no speech.

#### PRESIDENT'S QUESTION.

Before it was seconded by Mr. Vallabhai, the President called upon Mr. Rajagopalachari to show cause why his amendment should not be rejected as it negatived the main resolution which it proposed to amend.

Mr. Rajagopalachari explained that the question was whether boycott should be from within or without. A mere finding of the former one way or the other left the latter point still unsettled and this Congress must regard it as its imperative duty to give a lead to the country on a question which was engaging its attention.

The President observed that he was not convinced by the argument of Mr. Rajagopalachari, but would admit his motion as amendment and that it would be voted upon prior to the last amendment.

After all other amendments were withdrawn three motions remained of which Mr. Srinivasa Iyyengar's resolution of contesting elections and not entering Councils was given the precedence. The votes stood 139 against the resolution and 107 for it.

When the result was telegraphed to thousands of visitors outside the pandal eagerly awaiting the decision of the Subjects Committee, it was hailed with shouts of "Mahatma Gandhi-Ki-Jai" but this outburst of feeling was only a prelude to the jubilation and satisfaction with which the majority of delegates in Congress camp received the news of the final result two hours later.

Mr. Rajagopalachari's resolution was then pressed to a division. Voting in this case was finally announced as 203 voting for and 87 against the resolution.

#### THE DIVISION LIST.

The following are details of voting for the resolution:—

For;—Tamil 19, Andhra 23, Kerala 3, Maharashtra (Poona) 7, C. P. (Marathi) and C. P. (Hindustani) 4, Sindh 8, Assam nil, Gujarat 11, Karnataka 12, Bengal 25, U. P. 14, Punjab 17, Behar, 28, Berar nil, Delhi 3, Bombay 6, Ajmeer, 3, Utkal 11 and Burma 9.

Against the resolution:—Tamil 4, Andhra nil, Kerala 1, Maharashtra (Poona) 8, C. P. Marathi, 6, C. P. Hindustani 7, Assam 2, Gujarat 1, Karnataka nil, Bengal 15, U. P. 18, the Punjab 13, Behar 1, Berar 5, Delhi 4, Bombay, Ajmeer, Utkal and Burma nil.

Andhra, Gujarat, Behar, Bombay, Karnataka, Sindh, Ajmeer and Utkal all voted solidly for Mr. Rajagopalachari. Votes were more or less equally divided in Maharashtra, Poona, Bengal, Punjab and U. P. Berar was wholly against boycott. Almost all Mahamadan members are believed to have voted against council entry while lady members, of whom there were nearly ten, voted half and half. Four out of five Akalis voted against entry. A few members did not vote either way.

#### The Motion as Passed

The text of the resolution as passed by the Subjects Committee runs thus:

"Whereas the boycott of Councils carried out during the elections held in 1920 had destroyed the moral strength of the institutions through which Government sought to consolidate its power and carry on its irresponsible rule, and whereas it is necessary again for the people of India to withhold participation in the elections of the next year as an essential part of the programme of non-violent Non-co-operation.

"It is resolved that this Congress do advise that all voters do abstain from standing as candidates for any of the councils and from voting for any candidate offering himself as such in disregard of the Congress advice, and signify the abstention in such manner as the A. I. C. C. may instruct in that behalf.

Pandit Nehru's resolution was formally put and declared lost.

### 3rd Day's Proceedings of the Congress

The Congress held its third sitting at 2 P.M. on the 29th December. Attendance was as large as on the opening day because of the interest centering round the two most controversial issues on which the Congress had to record its verdict on this day, namely, boycott of British goods and advisability or otherwise of participation in the next general election.

#### THE PROPOSITIONS

The resolutions and amendments of the Council question which appeared on the agenda paper were the same as those moved in the Subjects Committee, with only this difference that Mr. Rajagopalachariar's proposition now became the main resolution and that of Fandit Motilal Nehru the main amendment.

#### Boycott of British Goods

The Congress discussed for full three hours the resolution on boycott of British goods and rejected it by a large majority.

Mr. Satyamurti moved the following resolution on the Boycott of British goods:—

"This Congress accepts the recommendation of the Civil Disobedience Enquiry Committee regarding the question of boycott of British goods and resolves that the question be referred to a committee for a full report as to what British goods may be successfully boycotted and the places from where such goods can be easily obtained and that the said report be submitted to the All-India Congress Committee within two months next.

"Resolved further that the Congress programme regarding Khaddar and the boycott of all foreign cloth shall not be affected by this resolution and that the following gentlemen shall be members of the said committee:—Messrs. N. K. Sen, J. K. Mehta, N. C. Kelkar, Umar Sobhani and Professor Ruchiram Sahani."

Mr. Satyamurti said his resolution was modest as it did not contemplate the complete boycott of British goods because that was not possible. It was practical because it left it to a committee of experts to suggest what could be successfully boycotted. The resolution was only a supplement to the existing programme of boycott of foreign cloth and gave to the oppressed people of India one more weapon to use, so far as it helped them to achieve freedom, which was their birth-right. The resolution could also to some extent help in lifting the lull now in the country and making life active. Moreover Labour in England, finding that an irreconciled India was making their future uncertain, would force the hands of the Home Government to come to terms with the Indian people. He did not understand the subtle and super-subtle doctrine of metaphysicians and psychological experts who expounded the theory that boycott of British goods would lead to hatred. "Does this Boycott,"

he asked, "involve more hatred than boycott of the Prince of Wales whom the English people loved with all their heart? Does it involve more hatred than burning of foreign cloth and boycott of the British Empire Exhibition?" There was no room for such sickly sentimentality of love or hatred. Hatred could not be manufactured nor regulated by resolutions or speeches in Congress. There was place for hatred provided that hatred did not contemplate or promote incitement to violence. "I do not," he continued, "condemn an Indian who refuses to love the nation,—not the nation which produced General Dyer, because foresooth he might have acted in a momentary impulse, but a nation which long months after Dyer's massacre coolly collected 30,000 pounds and presented that money to the author of that massacre. This is surely asking me to be a superman, to be insincere and hypocritical." The speaker quoted the example of the United States and Ireland in regard to the boycott of English goods. "I want to get rid of this rule. This is a weapon which history has given me, and God willing, I mean to use it, hatred or love notwithstanding."

Swami Bhaskar Tirth seconded the resolution and said that it expressed the determination of India to stop the bleeding of India in order to keep alive Manchester. He did not like that England should starve and knew that mercy was doubly blessed but such mercy could be shown only when England knelt before India and begged for concession.

Mr C. Vijayaraghavachariar opposing the resolution said, "I have come here to oppose this resolution on two grounds. One is that it is wholly impracticable and the other is, it is altogether undesirable. Much has been made of the argument that boycott of British goods is within the letter and spirit of Non-Co-operation because there is boycott of foreign goods already sanctioned under the auspices of Mahatma Gandhi, and I venture to submit a greater fallacy has not been placed before you. There is a well-recognised principle in boycott of foreign goods, but there is no principle I know of, except that of revenge or mischief, in boycott of British goods (Hear, hear). Boycott of foreign goods is only another name for a policy of protective tariff. Because the Government of India is not "Government of the people, by the people, for the people", we are obliged to have recourse to boycott of foreign goods in the place of protection. It is recognised by all nations of the world and by text-book writers, the idea being to encourage native industry to the extent the prohibition of foreign goods would make the import of it altogether impossible or would diminish it in the highest degree. Any controversy there might be between free trade and protection is mostly confined to a particular country. It is claimed that in England free trade is best. Some there are even in England who say that protection is best. The United States and other countries have adopted highly protective tariffs for the sake of manufacture and stimulation of their indus-

try. That being so, I ask you to say that those gentlemen who have been party to the resolution already passed, namely boycott of foreign goods, can also resist this resolution. There is no inconsistency between the two. I am surprised that this argument is repeated both here and elsewhere in the press by the mover. Because we are required to boycott foreign goods for the sake of protection of our own industries now existing and hereafter to come into force, are we justified in asking you to pass a measure which will simply mean nothing but a feeling of vendetta and mischief?

In the report of the Civil Disobedience Committee the boycott of British goods is accepted, but no new principles have been enunciated. That the principle of boycott of British goods is different from the principle embodied in the boycott of foreign goods is quite clear. The resolution about boycott of foreign goods is already in Congress literature. Why then do they want a new principle? I say it is undesirable also for the reason that, in the case of boycott of foreign goods, there is a sacrifice imposed upon us by ourselves. In the early stages of boycott of foreign goods, consumers in India suffered. It might be that producers and possibly middlemen also suffered. This is a well-recognised sacrifice imposed by all civilised countries on the whole population in order that its manufactures and industries and its average wealth might be increased. That sacrifice is necessary in the interest of our motherland. In the case of boycott of British goods the effect will be that other countries will export more. They will increase their prices, because, if we deduct one great competitor like England from the market of India, we give other countries an opportunity to increase prices. Do you really believe that in order to carry out this policy of boycott the Congress will be justified in imposing an additional item of expenditure, so that it is mischievous alike to us and to England?

The people of this country to further this boycott would greatly displease the Labour organisation and Labour members of Parliament in England. You may say you don't care, but there are people who do care. The Labour party have become His Majesty's Opposition now. It is not fair that we should put forward just at this time a resolution, not useful to us economically except simply as bluff or bluster. Labour people are shrewd. They will soon find out that we are not well disposed towards them and they would dislike us. On the other hand if boycott fails, as it is bound to fail, all of them will laugh at us. Whether this is within four corners of Non-co-operation or not, people more competent than myself, the esoteric section, will tell you we should not cause feelings of hatred needlessly. In the case of boycott of foreign goods, it is not needlessly that we cause any feeling of hatred.

Mr. Rangaswami Ayyangar in supporting the resolution said that the Bible of the Britisher was his financial code. Anything that affected his income caused him grave concern. The proposed

boycott was a political weapon which even Mr. Gokhale had blessed during the Bengal Partition days.

Mr. C. Rajagopalchari opposing the resolution, said: "I have come and stand before you to oppose this proposition after considering several times whether it should compel, by anything I might do, a division of the house over a proposition like this. I earnestly appeal to you to reject this proposal which has been accepted by the Subjects Committee. I consider that this proposal is a symptom of our weakness and will contribute to a growing weakness and will interfere with the programme of self-reliance that we have adopted. It is, I say, a symptom of weakness because we, instead of depending on Swadeshi, turn our thoughts to other nations in order to substitute things which we have been getting from England. If you don't wish to get anything from England it is our duty to manufacture it ourselves and not to turn away to Japan and create that domination for the future under which we have suffered already in our previous history. Why should we lay the foundations for future domination from other countries when we have sufficiently seen the evils of such neglect of self-reliance and the results of foreign domination? I beg of you, therefore, not to lay this foundation for future misery and never in anger do that which will afterwards be an evil out of which we cannot get out. I do not hope by anything that I am able to say to convert you. There is only one man who could have resisted the anger in your hearts and restrained it. I know the overpowering, the growing and accumulating wrongs, under which we suffer tempt us to this resolution, but we must restrain ourselves. We must restrain and convert that anger into something constructive, not merely to buy from Japan or America what we do not wish to buy from Britain.

I do not want to lead you to questions of philosophy or principles of Non-co-operation. Please dispose of this question on expediency only, if you like. We get from England a third of all the goods that we get from abroad in the shape of cloth and, so far as cloth is concerned, we have already resolved not to get it from England or any country outside as far as possible, and we are succeeding in that effort. We have sufficiently boycotted Britain to the extent of a third of the total imports from abroad. Therefore in the Khaddar and foreign cloth boycott programme we have already before us a clear programme of the boycott of British goods. To that extent it is not a mere question of arithmetic that, if we boycott the remaining two thirds, we are adding to what we are now doing. It is a question of interference with our concentration effort. It is a question of leaving foreign importers from misleading the country. It is a question on turning away our workers from the one concentrated effort which has been proving successful.

I ask of you therefore not to divert the attention from this single idea of Khaddar. Mahatma Gandhi alone was capable of

restraining your anger and converting it into concentrated constructive effort. When he is not amidst us and when he resisted the proposal for the boycott of British goods for so long a time, shall we in his absence turn our resolution from one to another? I do not appeal to you to do anything simply because he said so. It is difficult to resist your anger. Mahatmaji himself had stated that boycott of British goods is not to be confounded with boycott of foreign goods. He made clear that boycott of foreign goods meant swadeshi only and nothing else, but here the boycott of British goods is not a case of the part being included in the whole. Boycott of foreign goods means constructive efforts to replace foreign goods by our own effort. Boycott of British goods means "we reject British goods and can turn to other countries for getting those goods." It is not a thing which we would accept then. Please consider that the poor as well as the rich and every man, woman and child in this country is getting what we are boycotting. If we turn to other things, we turn only to particular classes for rejecting British goods. Are we likely to succeed? Is it a practical proposition?

It may be said that this question may be decided by a committee, but you are asked to accept a proposition wherein you accept a principle. Therefore we have to examine that principle and its practicability. I say, on the face of it, it is not a practical proposition and therefore you ought not to appoint this committee. If there had been no acceptance of principle we may pass it. If the committee is to go into the whole question why place it before the Congress? A committee like this the A. I. C. C. may appoint, but by placing this resolution you are asked to be committed to this policy. I ask of you not to be committed by this policy. Even Mahatmaji has said, in answer to Mr. Baptista in January last year, that even he would not be capable of restraining the feeling of anger that would be roused in a propaganda of boycott of British goods. Are we likely to be able to restrain the national forces which would be aroused in this propaganda if Mahatmaji himself felt that he would not be equal to the task. And why should we restrain this anger? As prudent men I think it is necessary because, with the programme of civil disobedience to be undertaken a little later, how can we afford to raise forces which we will not be able to control. As prudent men, not as a matter of principle, we should decide that this new difficulty and new anger ought not to be started now. I therefore ask you to reject this proposition. Friends who are whole-heartedly with me on other points are not with me in this. Therefore it ought not to be taken as a party question and should be voted upon as a practical proposition and on the strength of your own judgment.

Mr. Satyamurti replying to the debate said that he could not understand how India could suffer economically if, instead of the British, other countries supplied her with goods. He cleared one misrepresentation regarding the scope of the enquiry by the



committee. It was to suggest places from where goods can be easily obtained and this also included suggestions for supply, wherever possible, by India herself. The political weapon with which they wanted to arm themselves would be only temporary till Swaraj was obtained. Labour in England would welcome it as ending the capitalistic system which was exploiting them as much as India. He deprecated the attempt of the opposition to drag a great name down for low, controversial purposes and declared that, however great his reverence for Mahatma Gandhi, he could not give up his inherent right of independent thinking. He commended his proposition as giving them an honest, clean, manly and political weapon in order to hasten the advent of Swaraj.

#### THE VOTING.

At five after three hours' discussion, the resolution was put to the vote by show of hands. Hands against the resolution were in a large majority. The President declared the resolution lost. This announcement was hailed by shouts of "Gandhi-ki-jai." Division was challenged, and the President ordered counting of votes, but the confusion that followed and the unwieldy number of delegates and the desirability of proceeding with the next motion regarding councils seemed to have influenced the supporters of the resolution who withdrew their request for division and the decision of the President declaring the motion lost held the ground.

Thus the Congress took a very rare step, that of throwing out the resolution which its executive (Subjects Committee) had recommended it to adopt.

#### Boycott of Councils.

The Congress then proceeded with Mr. Rajagopalachari's resolution which ran thus:—

"Whereas the boycott of councils carried out during the elections held in 1920 has destroyed the moral strength of the institutions through which the Government sought to consolidate its power and carry on its irresponsible rule; and whereas it is necessary again for the people of India to withhold participation in the elections of next year as an essential part of the programme of non-violent non-co-operation; it is resolved that this Congress advises that no Congressman shall stand as candidate for any of the councils and that all voters do abstain from voting for any candidate offering himself as such in disregard of Congress advice and signify the abstention in such manner as the All-India Congress Committee may instruct on that behalf." He said:—

"I need hardly tell you that this is a proposition which I commend to you with all my heart and in spite of any difference of opinion, to accept it with such overwhelming numbers as to make it effective in the country in spite of any differences of opinion in matters of detail. We are all agreed, I make bold to say, as to the ultimate object and also to the immediate steps in attaining that

object, namely, effective boycott of Councils. Though there are differences of opinion as to how the boycott of these institutions will be better attained one way more than any other, we have agreed that this effective boycott has to be effected and attained. I therefore feel quite confident that, whether you accept one amendment or another our object is fairly unanimous and I believe that after contesting, discussing and obtaining your vote on any amendment if this resolution is ultimately carried, you will attempt to bring about the object, that is, effective boycott of the Councils in the manner in which a majority of this assembly has decided upon. I am quite certain that, whatever differences of opinion there might be on the various amendments that might be proposed in regard to the form in which this boycott should be effected, I have no doubt whatever that the boycott will be an object which we will join to effect. I particularly commend to you this proposition, because I feel certain, and I believe that in most of your minds also there is no doubt, that the only effective way in which we can boycott the Councils is by boycotting the elections themselves. Unless we boycott the elections we shall not boycott the Councils, for, if we accept the reforms, we thereby accept to a certain extent the prestige of these Councils. Our boycott is not merely to be a physical boycott of the Councils but it is the moral breakdown of their prestige. If the destruction of the prestige and moral importance of Councils is our object, we shall lose it partly by accepting them in merely trying to fight them. Bhishma challenges me, my importance is accepted by Bhishma. Therefore, I say, this nation, this Bhishma of India, should not accept morally the importance of these councils and try to fight with them but rather treat them with indifference. Treat the Councils with indifference, and that is the most effective manner in which this nation, when once it has resolved upon boycotting it, can boycott it.

Various forms of boycott have been suggested. One is, for instance, boycotting the Councils by standing for election, by paying homage to the electorate with which the Councils have been proposed to be worked by the Government, accept that electorate, get their mandate and then let the members who have succeeded in capturing the electorate not go in and take their seats. I can suggest to you another form. Let the members who have got the votes of the majority of the electorate get into the Councils and there not co-operate with the Government. There is yet another form. You can go and take your seat in Councils, but refuse to appoint your Ministers. Another method is, you can go in, appoint your Ministers and through these double representatives ask the Councils not to perform any function. One more method is to appoint your Ministers, ask them to accept office, but not to do anything which Government may ask them to do. Please do not enter into definitions but decide on the question as to which is the effective boycott which we, in order to further our programme may accept

I do not think any useful propose will be served by attempting to boycott. In a House of this magnitude I can only express my views humbly though firmly, and ask you to decide for yourselves.

Here I say that if we disturb the atmosphere which we have succeeded so far in creating with reference to Councils and try a new experiment, we will have first of all to undo what we have done and then to begin afresh. What is the atmosphere that we have created? It is not a mere wax thing. Every body feels that we have successfully reduced the Councils to a mockery. Everyone knows that the Councils do not represent the people, but they are merely the mask of the Government. Government is executing its irresponsible will through these Councils and is prepared to execute it through one mask or another as long as we go on co-operating with Government in material ways. If lawyers, students, merchants, the army and the population of India co-operate, it does not matter in the least what mask the Government has. It does not matter what members are in the Council. The will of the irresponsible Government will go on manifesting itself. It does not matter if nominated members of Government sit there. It is only a mask. If there is any sense in the boycott of the Councils, the only thing that we have to do is to boycott it in the real manner. To compare this question with the other question, namely, that this Government is still carrying on its work, is a mere confusion of issues. Government will go on with its work even if the Councils are abolished and we must devise measures how to stop that process. So far as boycott of Councils go, we have done that. The world knows, this Government knows, and we know that our representatives are not helping the Government. It is only a false mask that is being presented as a representative Government. How to deal with this falsehood is a different question altogether. After the boycott of Councils is finished, we shall act, we shall show that it is a mask and we shall tear it to pieces, we shall non-co-operate truly, but, so far as boycott of Councils is concerned, we shall be helping to keep the mask alive so long as we try to go there one way or the other.

#### "DON'T CONFUSE THE ISSUE".

● I beg of you not to be carried away by references to what we might possibly do by co-operating inside the Councils, so long as we are resolved on boycott. If and when we feel that we have given sufficient trial to the programme of Non-co-operation and that we can no longer carry of the programme of Non-co-operation, then it is right that we should discuss the question as to what miseries we can stop by going into the Councils. But so long as we feel that we have not given to this great programme a sufficient trial and so long as we feel that we have not achieved the purpose we intended during the short period of trial we gave the programme, we have to continue the trial, and so long as we have that programme, we cannot do anything which is inconsistent with it. Therefore the

only question before you is whether this form of boycott is proper or not. If you find, on hearing the amendments that may be proposed, that any one of them is better form of boycott, even after I have replied, you are at liberty to adopt that method. There is no necessity to imagine that, though leaders are united in the object to be achieved, there will be any division in the sense in which a split of this organization is understood. Then the issue is confused. I beg of you not to confuse the issue by any of these considerations. We must believe that every one will act according to his conscience and that no misfortune will happen by reason of a mistake of an intellectual question. I therefore beg of you to direct your attention to one question only, as to what is best, what is wise, what is futile and what is useful, and decide upon that question (applause.)

*At this stage the House was adjourned till the next day.*

### Subjects Committee Proceedings

**29TH DECEMBER 1922**

The Subjects Committee at its sitting on the 29th Dec. passed Mr. Rajagopalachariar's draft resolution on Civil Disobedience. It reaffirmed the opinion of the Congress,

"That Civil Disobedience is the only civilised and effective substitute for an armed rebellion when every other remedy for preventing the arbitrary, tyrannical and emasculating use of authority has been tried.

"And in view of the widespread awakening of the people to a sense of the urgent need for Swaraj and the general demand and necessity for civil disobedience in order that the national goal may be speedily attained, and in view of the fact that the necessary atmosphere of non-violence has been preserved in spite of all provocation, it calls upon all Congress workers,—

"To complete the preparations for offering civil disobedience by concentrating their attention on strengthening and expanding the national organisation and to take immediate steps for the collection of at least Rs. 25 lakhs for the Tilak Swaraj Fund and the enrolment of at least 50,000 volunteers, satisfying the conditions of the Ahmedabad pledge by a date to be fixed by the A. I. C. C. at Gaya, and further empowers the Committee to issue necessary instructions for carrying the resolution to practical effect."

The resolution was adopted by a large majority, notwithstanding the obstructionist and hostile attitude taken by the minority.

Amendments were proposed for relaxing the conditions of the pledge, to fix the dates, to increase the number of volunteers and the amount of funds to be collected.

#### PLAN OF WORK.

The plan of work that Mr. Rajagopalachari suggested was contained in the following resolution placed before the Subjects Committee :—

"In order to carry out the resolution of the Congress regarding the preparation for Civil Disobedience and the successful carrying on of the constructive programme, it is resolved that every delegate who has attended this Congress shall deem it his individual and particular duty,

- (1) To start or put in efficient order at least 4 primary sabhas.
- (2) To obtain the enrolment of at least 1,000 members for 1923.
- (3) To collect, through his personal exertions and pay into the local district or provincial organisation, at least Rs. 500 for the Tilak Swaraj Fund.

- (4) To instal at least 50 new charkas in as many homes.

- (5) That every district shall have at least 100 Congress Sabhas in working order, and

- (6) At least 100 volunteers enrolled in three classes as follows :—

Class A.—A Civil Disobedience Corps of at least 40 volunteers ready for civil disobedience whenever called upon by the proper authority. Class B.—A reserve corps of service of at least 50 volunteers agreeing to serve in the prosecution of the constructive programme for a minimum period of 4 days in the month. Class C. A batch of at least 10 volunteers devoting full time in constructive work on such honoraria as may be fixed and paid by the local Congress organisations.

*DECEMBER 30TH, 1922*

On the third day the Congress devoted five hours to the discussion of the Council boycott resolution.

The discussion on Mr. Rajagopalachari's resolution reaffirming the existing constructive programme and opposing all proposals regarding Councils was continued.

Pundit Nekiram (Punjab) and Dr. M. A. Ansari (Delhi) supported the resolution. Both pointed out that a case had not been made out for changing the position take up at Calcutta and reaffirmed at Nagpur and Ahmedabad.

Dr. Ansari said he could not understand the camouflage of boycotting the Councils from within. He would rather welcome from the opposition an open confession that non-co-operation had failed and that the protagonists of Councils wanted to enter the Councils to utilise the reforms for the good of the country, but we could not conceive how the Congress could sanction a sheer waste of money and energy to return Congress candidates over and over again. They would get tired after two or three elections and would eventually have to leave the field again for the Moderates. And if they were not returned in a majority, what would then happen to "boycott" from within ?

BEGUM HASRAT MOHANI.

Begum Hasrat Mohani said those who desired complete independence could not imagine the abandonment of Non-co-operation, but those who believed in partial independence could attain it even by working for a further instalment of reforms through Councils. She remarked that Mahatma Gandhi's mistake in opposing the motion for complete independence at Ahmedabad was responsible for the reaction now led by the pro-Councillities.

Mrs. Sarojini Naidu, in supporting the resolution, said that, though a woman, she was a soldier for Swaraj. While this Congress continued to take its stand upon their pledge as followers of Mr. Gandhi's doctrine of Satyagraha and Non-co-operation, so long would they continue to give allegiance to that ideal. She recognised that as times change and circumstances change, their policies must be readjusted and programmes altered, but until those policies were restated and the scope and functions as also the letter and spirit of new Non-co-operation clearly defined, she must be loyal as she was, cling to her own Satyagraha definition of Gandhi's Non-co-operation and fulfil his ideal through the channel of Civil Disobedience rather than that of contest with the Government.

MR. SRINIVASA IYENGAR.

Mr. S. Srinivasa Iyengar moved as an amendment the following proposition which was defeated in the Subjects Committee :

"Whereas notwithstanding the fact that the majority of the electors in the whole country abstained from voting at the Council

elections of 1920 many Indians allowed themselves to be elected thereto and did not resign their seats inspite of their being so advised by the Nagpur Congress with the result that the new councils do not represent the country, they are used to consolidate the power of the present system of Government in India which the Congress has resolved to put an end to, this Congress earnestly advises, with a view to render the boycott of Councils more effective than it was in 1920, all electors to vote for Congressmen who shall, when elected, absolutely refrain from taking their seats in the Councils."

Mr. Iyengar said this motion was not a step in the direction of Council entry, but would give distinctly new orientation to the Non-co-operation movement in the direction of the destruction of Councils, at least to the extent of the elected part of the Councils. This was a business proposition representing a compromise between the two schools of thought which were now divided on this question in the Congress circles throughout the country. During the last two years, far from the opinion in favour of boycott of elections becoming consolidated, an appreciable percentage of those who unhesitatingly accepted boycott of elections in the beginning of the Non-co-operation campaign had come to think that it was necessary to change the direction. The fact that the Congress at Calcutta and Nagpur affirmed boycott of Councils by preferring a particular method which was then necessary should not weigh with them in rejecting this proposition. Speaking for himself he was not for entry into Councils and this opinion was due to personal experience in an unfortunate part of India and the experience of others in other parts of India. This amendment would keep in its integrity Non-violent Non-co-operation in regard to Councils and at the same time bring round those who were opposed to them. Those who were of the view that they could enter the councils with a view to create deadlocks or work out the principles of responsive co-operation were willing to accept the amendment which was in the direction of making the boycott of Councils completely effective. "Our movement for boycott will only be effective if there is practical unanimity of opinion and if there is a policy of give and take. The minority is never disciplined by the majority and the majority which has power is seldom tolerant of the minority and the division cured by periodical compromise and by observing the principle of practical unanimity. The construction programme is by itself insufficient and Civil Disobedience cannot be immediately started in such a manner and on such a scale as to bring Government to its knees, and therefore I want you to boycott the Councils by capturing the electorate and thereby preventing co-operators from going into institutions which are used by Government for your destruction in the same way you boycott foreign cloth by picketting. Your duty is therefore to withdraw from Government the co-operation of that party without which they will not be able to get on. It is your duty to create unity and concerted action in the Congress camp. But there is now dis-

cord. How are you going to remove it? Will it be by the rule of the majority? I venture to say, "no." Let us not use the shibboleth of concentration upon any particular programme. This theory of concentration has been done to death. Let us not imagine that what Gandhi wanted was boycott of elections for all time to come. At that time the electors were not used to it. The Non-co-operation Party was not formed. Discipline was not there amongst them and there was no possibility of computing our chances of success. But to-day there is more discipline and we have understood, however imperfectly, the meaning of Non-co-operation and I therefore think the chances of boycott are far greater now than before. The most valuable and effective instrument for destruction of Councils is in this amendment which is a compromise between the two schools of thought. Show your spirit of compromise by your votes."

**MR. C. VIJIARAGHAVA CHARIAR.**

Mr. Vijiaraghavachariar explained that of these contending motions, that of Mr. Rajagopalachari left the position as it existed now. Both Mr. Iyengar and Pandit Motilal favoured contesting elections with this distinction that the former declared his intention of not sitting in the Councils, while the latter left it to the next Congress to state with what programme the elections be contested. He appealed to the delegates to vote on the merits of the rival positions taken up and not be led away by ideas of the fate of the Congress due to division in their ranks. The speaker prized the unflinching judgment of the Congress above all other considerations and believed that a nation which blindly followed a leader or leaders was heading for decay. Supposing they decided in favour of contesting the elections, desired Government at home may change the Statute at one night's sitting or the Government of India may change the rules, but if none of these happened and even if they got a majority, they had to face a provision in the Reforms Act which had not existed in the previous constitution and which was extremely tyrannous. They authorised the Viceroy and Governors to dissolve the Councils as often as they liked without assigning any reasons for it. The Government may naturally be expected to retaliate by resorting to dissolving and tiring out both candidates and electorates.

Moreover Government would pose as martyrs before the outside world and would have its sympathy and would be able to propagate that orientals were not fit for the western method of Government. That course would then involve the use of mad and useless waste of money and time. There was no parallel in the history of the world to such a futile attempt. They should also remember that Government could do without Councils, that it was armed with numerous Acts to maintain law and order and collect taxes.

Continuing, he pointed out that the voters would be confused by a fundamentally different change and the change of direction



would arrest the progress made in the mentality of masses by the Gandhi programme.

Mr. Vijayaraghavachari next referred to the reported intention of Pro-Council leaders to withdraw their active participation in Congress activities if the verdict went against them. He would regret if these leaders retired, but he asked Congress not to sacrifice its independent judgment for personalities. It should entrust itself to God and if an officerless regiment was led to victory by a private in France during the great War God would also help the Congress in ransoming the great cause.

#### MR. NEHRU'S POSITION.

Pandit Motilal Nehru at this stage explained his position. He said he considered his own amendment more prudent than that of Mr. Iyengar as it was the Congress to decide after one year in the light of circumstances then prevailing as to what programme the Congress candidates should adopt, while Mr. Iyengar committed them to a policy beforehand. But as Mr. Iyengar's amendment was put as a compromise and as he wanted to show that his own mind was equally opposed to entry in Councils, he would accept the compromise, provided the Congress so accepted it. Otherwise he would press his own amendment, which he considered the better of the two. He honestly believed that, comparing the result of the boycott at the last election his method was better to achieve the same purpose. It left him unmoved whether he was a leader or not. His love was for a clean weapon to attain Swaraj without bending before anybody and he meant to pursue that end with full faith in Non-co-operation:

#### PANDIT MALAVIYA.

Pandit Malaviya next addressed the house. His view was that the good of the country lay in entering Councils with a view to stop the mad course of repression which the Government was pursuing, to secure the release of Gandhi and other leaders, to force the hands of Government to effect retrenchment, reduce expenditure and lighten their burden as they were all tax-payers. Government was too stone-hearted to be moved by the sacrificing spirit which made them flood the jails. The speaker believed in giving battle by all weapons. He could follow whole-heartedly both the constructive and the Council programmes simultaneously. The boycott of Councils was part of a programme for the attainment of Swaraj within a year, but, when that year had passed without bringing them Swaraj, they must now change their programme. Pandit Matilal Nehru's amendment was, he thought, better than that of Mr. Iyengar in as much as it left a clear twelve months to decide what shall be India's programme at the end of that period and commended it for the acceptance of the Congress. Concluding Panditjee, referring to himself, said "Remember an old man's words, You will repent later if you reject them now."

**MR. RAJAGOPALACHARI.**

Mr. C. Rajagopalachari then replied to the debate. He asked the Congress to remember that no great change from the present programme could be recommended by any but the wisest and greatest of leaders. It was not possible for small men to ask the Congress to take a line different from what this house sitting at Calcutta decided after careful consideration. It was therefore natural that the biggest of leaders should now advise a change, but these leaders did not want them to decide the question except by their own judgment and they must use it whatever the result. The constitution of the Congress was so elastic that no difference of opinion could possibly lead to an undesirable split. The Congress might rest assured that they would not divide the country or divide themselves over any failure or error of judgment. The question about contesting elections was whether poor India could afford to spend money for putting forward candidates every time the seats were rendered vacant. One amendment amounted to a competition of intellect between the rule-making capacity of Government and the capacity of Congressmen to make the seats vacant and the other amendment amounted to a test of intellect inside the Councils as to how they could ever rule the decisions of Government and how still to maintain their position and great deadlocks. In both cases there was the contest of brains and such a contest was not going to bring Swaraj. He believed that they had not given sufficient trial to the constructive part of the Non-co-operation movement which must therefore be carried on. They could not capture the electorate more effectively than by the constructive programme in villages. The method of contesting elections was expensive. Pundit Malaviya had said that if they went into the Councils they could get Gandhi released. The moment they suspended the Non-co-operation programme they had made an ignoble surrender and they could not hope to get Gandhi released.

After Mr. Rajagopalachari had spoken, the pandal was cleared of everyone except the delegates entitled to vote. The resolution was passed by a large majority, the compromise resolution of Mr. Iyengar being defeated by 1700 against 894 votes.

**DECEMBER 31ST, 1922**

The Congress met for its final sitting on the 4th day, December 31st, 1922 with about a dozen resolutions on the agenda. The following resolutions were passed.

**LABOUR RESOLUTION**

Mr. Dip Narain Singh moved :—

“Whereas this Congress is of opinion that Indian labour should be organised with a view to improve and promote their well-being and secure to them their just rights and also to prevent exploitation of Indian labour and of Indian resources, it is resolved that this

Congress, while welcoming the move made by the All-India Trade Union Congress and various Kisan Sabhas in organising the workers of India, hereby appoints the following committee with power to assist the Executive Council of the All-India Trade Union Congress for the organisation of Indian Labour, both agricultural and industrial:—Messrs. C. F. Andrews, J. M. Sen Gupta, S. N. Halder, Swami Dayanand, Dr. D. D. Sathaye, Mr. Singaravelu Chettiar and E. L. Iyer.

#### SCHOOL BOYCOTT

Mr. Rajendra Prasad moved:—

"With reference to boycott of Government and Government aided and affiliated educational institutions, this Congress declares that the boycott must be maintained and further resolves that every province should be called upon to put existing national institutions on a sound financial basis and to improve their efficiency in every possible way."

#### BOYCOTT OF COURTS

On the motion of Mr. K. P. Sen Singha (Bihar) seconded by Mr. Srischandra Chatterjee (Bengal) the Congress declared that the boycott of law courts by lawyers and litigants must be maintained and further resolved that greater efforts should be made to establish punchayats and cultivate public opinion in their favour.

#### CHANGE IN CREED

The next resolution related to a demand for change in the present creed of Congress. Mr. P. K. Mazumdar of Comilla (Bengal) moved:

"That the object of the Indian National Congress is the attainment of Swaraj, that is, the attainment of complete independence without foreign connection by the people of India by all legitimate and proper means."

In the course of his speech Mr. Mazumdar said that the natural meaning of Swaraj was Swaraj or self-raj and not foreign or any other raj. Swaraj again meant complete independence. The time had come when every one should freely express his view on this question without being afraid of anything in this world.

Mr. C. Rajagopalachari in opposing the resolution observed that the present creed covered both the position, namely absolute independence and independence within the British Empire. Necessity for a change in the present creed would certainly arise if the position of Indians in other parts of the British Empire was finally decided to be impossible of solution. Indians might make absolute separation and independence as a possible condition of the solution of their difficulties, but that position had not yet been reached. There was also an attempt by some to change the methods of attaining Swaraj by altering the words 'legitimate and peaceful' into 'legitimate and proper'. But Mr. Rajagopalachari continuing said, "The word

proper' can cover more things than peaceful. I ask you to accept the position that peaceful means alone shall be tried by us and not as yet non-peaceful means'.

Mr. Mozumdar replying to the debate appealed to those who were of the same view with him to declare their mind unequivocally. How long, he asked, were representatives of 30 crores to go on purifying their souls? In his opinion unless they made their definition of the word Swaraj clear they could not proceed with their programme for achieving the goal.

The resolution was then put to vote and lost by show of hands amid cries of "Mahatma Gandhi ki jai."

#### PUBLIC DEBT

Mr. Rajagopalachari next moved the most important resolution of the day :—

"Whereas by reason of the unjustifiable military expenditure and other extravagance the Government had brought the national indebtedness to a limit beyond recovery, and whereas the Government still pursues the same policy of extravagance under cover of the authority of so-called representative assemblies constituted without the suffrages of the majority or any substantial fraction of voters and despite their declared repudiation of the authority to such assemblies to represent the people; and—

"Whereas if government is permitted to continue this policy it will become impossible for the people of India ever to carry on their own affairs with regard to the honour and happiness of the people and it has therefore become necessary to stop its career of irresponsibility

"This Congress hereby repudiates the authority of the legislatures that have been or may be formed by the Government in spite of the National boycott of the said institutions in future to raise any loan or to incur any liabilities on behalf of the nation, and notifies to the world that on the attainment of Swarajya the people of India, though holding themselves liable for all debts and liabilities rightly or wrongly incurred hitherto by the Government, will not hold themselves bound to repay any loans or discharge any liabilities incurred on and after this date on the authority or sanction of the so-called legislatures brought into existence in spite of the national boycott."

MR. RAJAGOPALACHARI.

Moving the resolution on repudiation of loans, Mr. Rajagopalachari spoke as follows :—

I do not think anything remains for me to tell you after this resolution has been heard by you, and the reasons for this resolution are incorporated therein. I can only detain you with figures. Within the last four years ninety crores of deficit have been accumulated by the present Government and they have got this money by borrowing

repeatedly and by issuing unbacked currency notes. We are paying the interest on all these loans. Of course it may be said that this is due to the fact that we have not entered their legislatures and protested, but I say, whether you protest or not, you cannot interfere with the causes of this accumulation of debt. The causes are the military expenditure and our servility and the suspicion of every foreign Government as to the loyalty of its people. Unless we remove the causes the military expenditure is not likely to be reduced and the legislature is not likely in the near future to get that power to interfere with that expenditure. I say Swaraj is the only remedy, but we have not attained Swaraj as rapidly as we intend to. We must in the meanwhile tell them that, even though we stand out of the legislature and allow the Government to govern by its own executive will, naked and unmasked, yet, when we attain the power we can not be responsible for the expenditure hereafter to be incurred. It may be said that it is a pompous claim that we make, but I ask you, do we have faith that we will attain Swaraj or not? If there is any truth or honesty in our people, we must and shall attain Swaraj and, when we attain that, are we going to pay the debts which hereafter they might incur? What has been incurred already will be a matter for adjustment when the final treaty between us and Great Britain shall be settled. There is no doubt we have the moral right to debit the British Nation and reduce that amount from our debt, but as to the future we shall now give notice to the people that those loans shall not be our liabilities.

I have already written on this subject. It may be said that there has not been sufficient discussion, if it is considered by any of our friends or leaders that there has not been sufficient discussion, I will leave the matter to the A. I. C. C. I say this because it was strongly pressed upon me before I came here that this is a resolution which should be further considered. I will leave it to the House to decide, but all the same let us give this warning to the people.

It may be also said that this will create suspicion among our own class who invest money. It cannot be so. What has been already borrowed we admit here and the only question will be whether Britain shall be liable when we take our affairs in our own hands. We therefore give clear notice to people outside and inside India that we shall not have the wherewithal to meet the wasteful extravagance which the Government is incurring in our name.

#### AN AMENDMENT.

Seth Jamn Lal Bajaj formally seconded the resolution. Mr. Vijayaraghavachari moved an amendment to refer the resolution to the All India Congress Committee. He said the question was a serious one involving the application of principles, not only in the matter of the domestic justice but also the principles applicable to International Justice on the decision of which they should stand or fall in the eye of the world. The question has not been very long

before the public. It was only recently started and the attention of the people has not been sufficiently directed towards it. He appealed to them therefore to refer the question to the A. I. C. C. for consideration and report to the next year's Congress. It was one year no doubt but they were not going to get Swaraj in the meanwhile. Time was of no essence in this problem.

Mr. Rajagopalachari said he admitted that when this resolution was taken up by the Subjects Committee it was so late that a really full discussion of the pros and cons could not be had. It came however before the Congress after the Committee had accepted it. If, as he had stated already, they would accept Mr. Vijayaraghavachari's amendment, he had no objection at all, because he considered that the warning was there. If it was their pleasure that the resolution should not be disposed of in a hurry, let them accept the suggestion by all means.

A number of speakers spoke for and against the resolution, after which the amendment was put and lost, and, apparently to the surprise of many, the resolution was carried.

#### CIVIL DISOBEDIENCE

Mr. F. Abbas Tyabjee moved :—

"This Congress reaffirms its opinion that Civil Disobedience is the only civilised and effective substitute for an armed rebellion when every other remedy for preventing the arbitrary, tyrannical and emasculating use of authority has been tried.

"And, in view of the widespread awakening of the people to a sense of the urgent need for Swarajya and the general demand and necessity for civil disobedience in order that the National goal may be speedily attained, and in view of the fact that the necessary atmosphere of non-violence has been preserved in spite of all provocation,

"This Congress calls upon all Congress-workers to complete the preparations for offering Civil Disobedience by strengthening and expanding the national organisations and to take immediate steps for the collection of at least Rs. 25 lakhs for the Tifak Swarajya Fund and the enrolment of at least 50,000 volunteers, satisfying the conditions of the Ahmedabad pledge by a date to be fixed by the All India Congress Committee at Gaya,

"And empowers the Committee to issue necessary instruction for carrying this resolution into practical effect."

He said that the only way of attaining Swarajya was by organising themselves for Civil Disobedience. This disobedience might at first be of individual character, but when once it was commenced it would assume, like a snow ball, a tremendous size leading to mass Civil Disobedience.

Mrs. Naidu in supporting the resolution in a spirited speech said that it was the first step in the preparation of men and munitions for the war of Civil Disobedience. She was sure that soldiers of

Mahatma Gandhi would not let fall the pledge that they had given to an awaiting world while passing the resolution congratulating Ghazi Mustapha Kemal Pasha.

Mr. Basanta Kumar Mazumder, by way of amendment, suggested the immediate starting of Civil Disobedience under the direction of the provincial Congress Committees Messrs. Fazlur Rahman (U. P.), Sirish Chatterjea (Bengal), Raghuram Varma and others suggested some other amendments which were all lost and the original motion of Mr. Tyabjee was carried.

#### PRIVATE DEFENCE.

Mr. Rajagopalachari next moved :

"This Congress declares that Non-co-operators are free to exercise the right of private defence within the limits defined by law, except when carrying on Congress work on occasions directly arising therefrom, subject always to the condition that it is not likely to lead to a general outburst of violence."

"Note:—Using force in private defence in grave cases, e.g. insults to religion, outrages on the modesty of women, or indecent assault on boys and men, is not prohibited under any circumstances."

Mr. Rajagopalachari explained that the resolution followed the recommendation of the Civil Disobedience Committee and was intended to please those who believed non-violence only as a policy confirmed to activities connected with the Congress. Moreover the definition given in the note showed that occasion on which it would be used did not generally come within the pale of political activities.

The resolution was put and adopted.

#### NEAR EAST SITUATION.

Mr. Rajendra Prasad moved :

"In view of the serious situation in the Near East which threatened the integrity of the Khilafat and of the Turkish Government, and in view of the determination of Hindus and Mussalmans and other peoples to prevent any such injury, this Congress resolves that the Working Committee do take steps in consultation with the Khilafat Working Committee to secure united action by Hindus and Mussalmans and others to prevent the exploitation of India for any such unjust cause, and deal with the situation."

The resolution was adopted unanimously without much discussion, only the proposer making a short speech.

#### NEW AFFILIATIONS.

The Congress adopted four more resolutions without discussion. Of these one granted the request for affiliation to Congress of the British Indian Association, Johannesburg, the Natal Indian Congress Committee, the Durban Indian Association, the Durban British Indian League, the Cape Town and Kabul Congress Committees. Of these the 4 associations in South Africa were authorised to send

ten delegates to the Congress collectively and the Kabul Committee to send two delegates.

Mrs. Naidu then announced that Mr. and Mrs. Tyabji had contributed Rs. 1500 for the Civil Disobedience Fund and Rs. 1500 for the Tilak Fund; also that the Tamil people living in South Africa had sent a cheque of £110 towards the Civil Disobedience Fund. Some more subscriptions were also announced.

#### NEW OFFICE-BEARERS.

The services of Pundit Motilal, Dr. Ansari and Mr. Rajagopalachari, the outgoing general Secretaries, were appreciated and in their places were appointed Messrs. Muazzam Ali, Vallabhbhai Patel and Rajendra Prasad as General Secretaries for the next year. Seth Jamanlal Bajaj and Seth Chotani were re-appointed treasurers.

#### THE NEXT SESSION.

The Congress accepted the invitation extended by Mr. Nageswara Rao to hold the next session of the Congress in Andhra-desa at a place to be announced later.

#### THANKS-GIVINGS.

Mr. Deep Narain Singh, on behalf of the Reception Committee paid an eloquent tribute to the President for upholding the honour of the nation and conducting the proceedings with dignity and suavity. Mr. Das was, and would continue to be, he said, the pride of India. He also thanked the delegates, the gallant band of volunteers and the Municipality and District Boards of Gaya for their co-operation and support in the national cause.

#### PRESIDENT'S CLOSING REMARKS

Mr. Das in declaring the session closed said :—

"I wish I could say that I congratulate myself and congratulate you upon the resolutions we have passed. Although I cannot do that, I thank you from the bottom of my heart for the patience and the wonderful manner in which you have helped me in carrying on the proceedings. That indeed is a matter of congratulation for all of us. Differences of opinion must arise in every healthy organisation or institution and although to-day I differ from the majority of the Congress, I have not given up the hope that a day will come when I shall get the majority on my side (Hear, Hear, and cries of "Deshabandhu ki jai"). I hope we have learnt now to respect each other's opinion with hope, in spite of what appears like a split, and I believe we are really united in more points than we differ (applause.). But we are agreed on one thing from which nothing will separate me, and that is the speedy attainment of Swaraj. Although we differ on the question of programme, all of us are agreed in the principle of Non-violent Non-co-operation."



## The Final Split

1ST JANUARY 1923.

The All India Congress Committee met next day, January 1st 1923 forenoon when Mr. Das announced his resignation of the Presidency of the Congress during the year and made the following statement at the meeting :—

### MR. DAS'S STATEMENT.

"The resolutions discussed in the Subjects Committee and those passed by the Congress this year have convinced me that there are at least two schools of thought with fundamental differences. I do not feel oppressed by this fact at all, for such difference of opinion must arise in every healthy organization. It is only natural that the experiences of the last two years should be interpreted differently by different men and that such interpretations should lead to different and opposing schools of thought. I take the differences of opinion amongst us as an indication of greater vitality and, although our activity must be in different directions, there is no reason why all of us should not remain within the Congress. I must, therefore, work with those who share the same views with me.

"Indeed I have no other alternative, as I cannot accept and cannot associate myself with most of the resolutions passed in the last session of the Congress. I must therefore either retire from public life or form a separate party within the Congress. I cannot retire from the fight for freedom as I have dedicated the rest of my life to the attainment of Swaraj. This has been the striving of my life for many years past and this must continue to be the striving of my life till I die. I must therefore work with those who believe in my programme.

"The majority has, I admit, the same right to work the programme in which they believe. They must appoint such members of the Working Committee and such office-bearers as will carry out their programme. That is their clear duty. As I have no faith in that programme, it is equally my duty not to be associated with it. If I am mistaken, time will convince me of my mistake, but in the meantime it is my duty to tender my resignation. I am not leaving the Congress in the conviction that I shall be able to convert the minority into a majority at no distant date.

"I must also point out that every reasonable proposal for compromise was rejected, every suggestion for postponement of the discussion of the Council question was negatived, and, in spite of repeated attempts to make Civil Disobedience practicable, the majority has passed a resolution which makes it difficult, if not impossible. Supposing war breaks out to-morrow, in my opinion it would be the duty of every Indian, Hindu, Mahomedan, or of any other faith to withdraw all co-operation with the Government and start Civil Disobedience at once. The war of Turkey is the war of

Asiatic freedom. The Khilafat Conference, I am told, has passed such a resolution. I regret to have to say that even a motion of adjournment of the discussion was rejected by the Congress.

"Ladies and gentlemen, I now ask you to elect your President before you proceed with the business of to-day."

#### QUESTION OF PRESIDENTSHIP.

Immediately after Mr. Das made his statement tendering his resignation of Presidentship, Mr. Vijiaraghavacharia appealed to the house not to accept it. He said that, though the proceedings in the Congress were capable of the inference Mr. Das drew from them, yet under the conditions in which they were placed at the time he was of opinion that his resignation should not be accepted. Under the constitution Mr. Das was President and he had no power to resign, nor has the Committee power to accept it. He requested Mr. Das to reconsider his position. It would be most unhappy, he said, if Mr. Das insisted upon his resignation and it was accepted by the committee.

Mr. Rajagopalachari said he endorsed every word of the previous speaker and would add nothing.

Mr. Das disposed of the technical question stating that there was provision in the constitution for such resignations. He regretted he could not accede to the request to withdraw his resignation. The President was the head of the executive of the Congress and, if he had no belief in the programme, what was the good of tying him to the post and whipping him? It was because he felt that he could not carry on the programme laid down by the Congress that he insisted upon his resignation. By resigning his presidentship he was not resigning his position as member of the A. I. C. C. or of the Congress.

Other members joined in the appeal to Mr. Das to reconsider his position and suspend his resignation to which Mr. Das replied that he had already tendered his resignation and could not withdraw it unless the difference was settled some way or other. He was amenable to compromise and did not wish to run away from them.

After some informal discussion a motion to proceed at once to consider the question of resignation was put and lost.

#### PRESIDENT FOR THE DAY

Mr. Rajagopalachari suggested that Mr. Das should be requested to take the chair without prejudice to the technical question as to the resignation of the Presidentship.

The motion was carried and Mr. Das agreed to preside over the meeting, remarking that he considered himself to have been elected president for the day.

## NEW WORKING COMMITTEE.

The meeting proceeded to elect members of the New Working Committee. The following members were elected.

Dr. Ansari, Mrs. Naidu, G. S. Deshpande, T. Prakasam, C. Rajagopalachari, Lala Dunichand of Lahore, Brijkishore Prasad, Sardar Tej Singh and Maulana Abdul Kalam Azad.

## The New Swarajya Party.

After a short discussion on the question of Civil Disobedience the meeting adjourned till the afternoon. Meanwhile the new party led by Mr. C. R. Das issued its fait on Council-entry. The following is the manifesto of the pro-Councillites. Over a hundred persons affirmed their assent to it, the most prominent being Messrs. C. R. Das, Hakim Ajmal Khan, Pandit Motilal Nehru, V. J. Patel, Shervani, N. C. Kelkar, M. V. Abyankar, Dr. Moonji, Ruchi Ram Sahani, A. Rangaswami Iyengar, Satyamurti, Jayakar and some 100 others.

### THE MANIFESTO.

The manifesto announcing the formation of the party runs:—

"Whereas we are convinced that several important items in the programme of work adopted by the Gaya session of the Indian National Congress are not conducive to the speedy attainment of Swaraj and we are further of opinion that several other important items have been rejected, we do hereby form and constitute ourselves into a party within the Congress. This party will be called the Congress Khilafat Swaraj Party. It accepts the creed of the Congress, viz, the attainment of Swaraj by all peaceful and legitimate means and also the principle of non-violent Non-co-operation. We hereby appoint Mr. C. R. Das as the leader of the party and Pandit Motilal Nehru, Sjt. B. N. Sasmal, Sjt. Vithalbhai Patel and Mr. Chowdhri Khaliquzzamma as the Secretaries. This party shall have its own organisation and programme of work the details of which will be issued in the course of January next. The President and the Secretaries, with power to coopt, are hereby appointed to frame the programme and regulations to be submitted to the members of the party at a meeting to be held at such time and place as may be notified thereafter by the Secretaries".

### Resolutions Passed by the All India Congress Committee on the 1st January 1923

The Committee met again in the evening under the presidency of Mr. F. Abbas Tyabjee in the absence of Mr. C. R. Das who did not turn up. The question of Civil Disobedience was again taken up and the following resolutions were passed.

"The All-India Congress Committee resolves that Rs. 25 lakhs be collected for the Tilak Swarajya Fund and 50,000 volunteers be enrolled before the 30th of April, 1923, and that the Working Committee be authorised to issue the necessary instructions fixing the quota for the several Provinces and take all steps to carry out the resolution, regard being had to the conditions prevailing in each Province.

"The Working Committee shall have power to act under the Congress resolution regarding the Turkish situation without reference to the date fixed above and to relax any of the Delhi conditions for Civil Disobedience, in order to meet any grave emergency that may arise out of the Turkish Situation.

"The All-India Congress Committee earnestly appeals for further vigorous efforts to boycott all foreign cloth and yarn and to spread hand-spinning and hand-weaving in order that the complete economic independence of the Nation may be secured and the speedy attainment of Swarajya ensured."

**The Working Committee of the Congress met on the 2nd Jan. 1923 and passed the following resolutions :—**

"The Working Committee of the Indian National Congress draws the attention of the country to the resolutions of the Congress passed at Gaya and calls upon all Congress Committees to take immediate steps to carry them out, and in particular to take early measures for the collection of Rs. 25 lakhs for the Tilak Swarajya Fund, the enrolment of 50,000 volunteers and the strengthening of the National Organization. The Working Committee further appeals to all Provincial Congress Committees to complete the collections and the enrolment of volunteers according to their quota before the 30th April, 1923.

"Provided that in the areas where the enrolment of Congress volunteers is now prohibited under the Criminal Law Amendment Act and would in itself amount to Civil Disobedience, enrolment shall begin only after fresh instructions from the Working Committee.

"That out of all collections for the Tilak Swarajya Fund 5 per cent be remitted from time to time to the All-India Treasurer and that not less than one-half the amount collected from the 1st January, 1923, be reserved and kept unspent by every Provincial Committee until instructions are issued by this Committee after the 30th April, 1923."



**FIFTH SESSION OF**  
**The All-India Liberal Federation**

**NAGPUR, 27TH. DECEMBER, 1922**

**Chairman's Address**

**The following is the full text of the Address delivered by Sir Maneckjee Dadabhoy, Chairman of the Reception Committee, at the National Liberal Federation held at Nagpur on 27th. December 1922.**

**Brother Delegates, Ladies and Gentlemen, :—**

Language is but an imperfect vehicle for conveying to you the feelings that are surging within me on this great occasion—feelings of diffidence at the magnitude of the responsibilities thrown on me by the kindness of my friends who have selected me for this high honour as also of joy for the privilege of welcoming to this historic city of Nagpur, forever green with the memory of the Peshwas and the Bhonslas, so many of my distinguished countrymen—the elite, the flower, the cream of Indian society. Brother Delegates, it is one of the happiest moments of my life in that I find my dear province, by holding this All-India Conference of the Liberal Federations and Leagues of the various provinces at the provincial capital Nagpur, once again asserting its attachment to these sound liberal principles of political progress which have stood the test of time throughout the world, but which, unfortunately, through some momentary aberration came to be temporarily jettisoned by large hypnotised sections of the Indian population. Nagpur was one of the most uncompromising and determined among the iconoclasts only so far back as X'mas 1920. It was in this city that in the Session of the so-called Indian National Congress of the year Mr. Gandhi's scheme of Swaraj with the preliminary programme of intensive Non-co-operation, open disloyalty and possible Mass Civil Disobedience was accepted by the delegates. Only three months previous to that the issue was doubtful in Calcutta until in the end by tactics that would not stand scrutiny all opposition was crushed by the weight of numbers. A bigger fight was to come off here at Nagpur but ultimately all spirit fizzled out, the whole assembly tamely submitted to the will of the Dictator, and Nagpur had the inglorious distinction of giving a wrong and mischievous lead to all India. The present Conference marks the happy restoration to sanity and reason of the Province. That is a source of immense satisfaction and hope to us all whose faith lies in orderly progress.

I find equal reason for genuine pleasure in the presence in this assembly of so many gentlemen who by their culture, social position and patriotism are the best persons to lead the people into safe and

sure channels of progressive thought and productive political activity. Your presence here at great personal inconvenience and discomfort to further the cause of real political advancement affords the best guarantee of the reversion—may be gradual but nonetheless sure—of the whole country to sound political ideals and the restoration of pre-war conditions of political agitation. Sensational idealism in politics and a morbid hatred of a nation that has enabled us to value political freedom and from whom alone political rights have to be obtained have operated a sufficiently long time to disclose their mischievousness and utter futility. People ought to be sick of the game by this time. If indications are worth anything, there are clear signs of the coming end of the delirium. Brother Delegates, I, on behalf of the Reception Committee, accord you the warmest welcome, all the more because I feel that with your combined influence, the pooling of the resources of moderation and constitutionalism which you so eminently and fully represent, and the better organisation and consideration of our strength, we members of the Liberal Federation are bound to neutralize the forces of revolution, disorder and anarchy—whether led by hot-headed, impulsive parvenus or self-deluded and frenzied martyrs—which for a time threatened to engulf our dear country in abysmal ruin.

RT. HON. SASTRI.

Yet another reason for my personal satisfaction, and that is supplied by the presence in our midst of my esteemed friend and trusted leader the Right Honourable Srinivasa Sastri as the President-elect. I confidently hope under Mr. Sastri's able guidance this Federation will soon become a real power in the land. We all require for our leaders men of his type,—gifted statesmen with clear vision, vast experience, undoubted patriotism, unique influence and admirable oratorical powers which have uniformly elicited unstinted applause in the highest councils of the Empire and in foreign countries where there is no lack of powerful speakers. Indeed the sweet, silver tongue of the Right Honourable Sastri has proved even better than sharpened steel among people entertaining the deepest prejudice against Indians. The high compliment paid to him by the Premier of Australia is a tribute by genius to genius which is just and well-deserved. Brother Delegates, this mission of the Right Honourable Sastri from which he has just returned, covered with honour and glory has been pooh-poohed by the overwise non-co-operator. It is not a matter for surprise. All wisdom is now-a-days a monopoly of the non-co-operator, whether a schoolboy in his teens or disgruntled, half-educated wage-earner or the impatient idealist who, notwithstanding education of a high order and experience and age, has been carried off his feet by rapturous enthusiasm at the mirage of the Promised Land. And by a curious method of reasoning, the uncompromising advocates of freedom of speech and action and non-violence do not allow any person, however high his attainments or however brilliant the record of his

services to the country, to have his say. And these new-born politicians are the most vociferous in the land just at the present moment. No wonder they would decry the distinguished services of the Right Honourable Sastri. But history and future generations will not be led away by their fiery denunciations, and will cherish the memory of Mr. Sastri as one who has vindicated the fair name of India in the world and laid the foundations truly and firmly for a better understanding between the self-governing Colonies of the British Empire and India. On 6th September last the Honourable Mr. Sarma gave in Council a resume of Mr. Sastri's work in Australia, Repetition is unnecessary. Nor do I enter into details. It will be enough to say that he has done the necessary spadework and more. In the words of the Premier of Australia, he has "removed for all time those prejudices and misunderstandings which formerly prevented the admission of your countrymen resident in Australia to the enjoyment of the full rights of citizenship,.....and brought those reforms covered or suggested by resolutions of the 1918 and 1921 Conferences within the range of practical politics",

In New Zealand the Right Honourable Sastri has been equally successful and in Canada, though the task has not been so easy, there are grounds for believing that the ultimate results will be of enduring benefit to the resident Indian. It is true Mr. Sastri has not been to South Africa and Kenya where the Indian problem is the acutest, but the reasons are plain and were explained at length by that indefatigable worker in the Indian Cause Overseas, Mr. H. S. L. Polak, at Lucknow on 6th July 1922. To put it shortly, there was no invitation by South Africa as there was by Australia, New Zealand and Canada, and the Indian cause would not have advanced ever so little by Mr. Sastri's forcing his presence there. As for Kenya, it is a Crown Colony, and therefore the decision lies in the hands of the Secretary of State for the Colonies. Any discussion to help in the solution of the difficult problem must accordingly be held in London and not in Kenya. No fruitful purpose therefore would have been served by Mr. Sastri going to these countries. Besides, Mr. Sastri went out as the representative of the Government of India. In that capacity he could not possibly go to South Africa without special invitation.

#### OVERSEA EMIGRATION.

In assessing the value of the Right Honourable Sastri's work in the Dominions, it should be distinctly remembered that the question of Oversea Emigration has two branches, one relating to restrictions upon future emigration and the other to the status of Indians already domiciled within the Dominions. The first part of the question has, at least for years to come, been set at rest by the resolution of the Imperial Conference of 1918, practically based upon the principle of reciprocity so persistently insisted upon by Lord Hardinge, and the next part of the question has been



thanks to the admirable advocacy of the Right Honorable Sastri, settled by the resolution of the Imperial Conference of 1921, by which the principle of equal rights of citizenship for all people lawfully domiciled in any component part of the British Empire has been laid down once for all. It now remains for us to see that the principle thus enunciated is given effect to within the Dominions. And it is quite in the fitness of things that the Right Honourable Sastri should have been chosen by the Government of India to go out personally to the self-governing Colonies of Australia, New Zealand and Canada to induce the Governments of those countries to apply that principle to our countrymen domiciled there. This work he has done quite satisfactorily, and the thanks of the whole country are due to him for his great achievements. Once Indians domiciled in the Colonies acquire the full rights of citizenship, the present restrictions upon emigration out of India must undergo considerable modifications with the lapse of time and the growth of enlightenment. It is true the problem is acutest, as is notorious, in South Africa and Kenya. It is likewise true that with the Federation, now contemplated, of Kenya, Uganda, Tanganyika and Zanzibar, in all of which countries there are large numbers of Indian domiciled from before the advent of the European settler, the lot of the Indian settler will be worse and the problem will be even more difficult of solution. But I am buoyed up with hope that these units of the Empire cannot long keep themselves out of the current of political thought and developments, and Indian settlers will eventually be granted there too the same status and privileges as in the sister Dominions. It is in these large possibilities of the future that the value of the Right Honourable Sastri's recent work in the Colonies lies.

#### NEED FOR CONSOLIDATION

But, Brother Delegates, we must not rest on our oars; we must not be lax in our effort for securing justice and fairplay to our countrymen whether in the Colonies or in India. Constant vigilance is necessary. I regret, however, we of the Moderate Party are not doing our best in the matter. I have already referred to the need for better organisation and consolidation of our forces, and I stress the point with all the emphasis at my command. If the work before us in the Colonies is great, it is even greater within the country. India shattered by political dissensions and rapidly gliding down towards revolution and anarchy cannot possibly be either politically or economically great and cannot expect to have the sympathy and the blessings of the world in her struggle for freedom. Growing hatred for the European which is so noticeable and regrettable a feature of recent developments in the country is destructive of that amity and good-fellowship upon which our political progress equally with economic progress depends. We require all our energy and courage to combat this evil. Brother Delegates, the time has come for all of us to shake off the stupor of apathy and inaction,

and to realise that the gravest crisis in the political history of India is on us. It will no longer do for us to stand aloof and to depend upon the gradual assertion of the good sense of the masses for the termination of our present troubles. We have great responsibility as leaders of public opinion, and unless we shoulder it with spirit and determination we will fail in our clear duty and deserve the ridicule of the world. The situation demands determined action not only on the part of the Govt. but also on our part. But what have we done so far to counter the revolutionary activities of the non-co-operator? They have only been given a long rope. But is that the way to discharge our duties? The answer can only be an emphatic negative. While the non-co-operator has been extraordinarily active, the Moderate movement has been lacking in vitality. If you want to progress by constitutional means, one thing we ought to keep vividly before us, and that is that the existence of a movement of this nature is not justified by occasional representations to Government, but must seek its justification in a determined effort in the cause of law and order. It must also be admitted that we have been too timid so long in our support of Government measures designed to keep the non-co-operation movement under reasonable control. That since the inauguration of the Non-co-operation Movement there have been disorders of a more or less serious nature very frequently throughout India with an actual rebellion in Malabar, admits of no doubt. That disrespect of law and authority has been openly preached in India, is equally patent. The non-co-operator has in the frankest and the most determined manner possible shaken the very foundations of ordered society. A revolution has

#### NON-CO-OPERATION ACTIVITIES.

been organised with little pretence to concealment, and to ensure success the loyalty of the Police and the Army has been sought to be tampered with. Indeed at least in some parts, the country has been mapped out and divided into new divisions, districts, sub-divisions and circles with non-co-operator officers in charge, and an army has been raised which, though in point of equipment and morale is in keeping with the traditions of the knight immortalised in the pages of Cervantes, has been an active centre of mischief and annoyance both to Government and the people. Not content with this suicidal record of inglorious and wicked activities, the leaders of the non-co-operation movement have deliberately prepared a scheme of Mass Civil Disobedience which means the end of all Government, and which has not been abandoned but has only been suspended as much from mawkish sentimentalism and timely appreciation of difficulties as from fear of retribution. Only three days ago, a special cablegram to THE TIMES OF INDIA from London announced that Mr. M. N. Roy has submitted a programme to the Congress which claims "complete national independence, the establishment of a Federal Republic of India, the severing of the Imperial bonds and that the sovereignty

of the people be vested in a National Assembly, and the Congress "is urged to develop a general strike at every opportunity and to form a gigantic mass movement to break down authority. While all this activity has been creating havoc in the country and making the realisation of our goal extraordinarily difficult, we Moderates have failed to rise to the height of the occasion in support of our political principles or at best have temporised and fretted at the natural consequences of a firm policy of executive action for the suppression of disorder even more than at the mis-deeds of the non-co-operator which made such policy a matter of extreme necessity. The issue was plain from the beginning. Whether India is to fulfil her destiny under the aegis of the British Crown and work for the attainment of self-government within the British Empire, or to stray away from the Empire, snapping all ties of union, and to seek her salvation in isolation and self-immolation in close co-operation with the revolutionary forces of the world? To this plain issue there can be but one answer, but that answer we have not so far given in an effective manner.

Brother Delegates, we are all for Swaraj, but the Moderate ideal of Swaraj is entirely different from that of the non-co-operator, albiet this latter is of doubtful complexion. Our highest goal is self-government within the Empire on Colonial lines, whereas the Swaraj which the non-co-operator desires is, according to some of the most distinguished among that class, somewhat "undefineable". The non-co-operator apparently does not know his own mind. His Swaraj varies from absolute independence to almost Dominion Self-Rule. Absolute independence has been preached by the President of the last annual Session of the Moslem League. But, broadly speaking, the Swaraj which the bulk of the non-co-operators seek is anything but Parliamentary Swaraj. Mr. Gandhi made that plain in his book on "Indian Home Rule", published so far back as 1908. Mr. C. R. Das, speaking only a few weeks ago at the last Dehra Dun Conference, made it plainer still. He wants to free the proletariat from the domination of both the bureaucracy and the bourgeoisie. "I want Swarajya for the masses, not for the classes. I don't care for the bourgeoisie". The Swaraj in broad outline is identical with the Bolshevist Republic of Russia. In theory all power is to be in the hands of the working classes with the total extinction of capitalism. With the example of Russia before us it is not difficult to foresee the consequences of Mr. Das's Swaraj in India, and it would be a matter of extreme surprise if the country as a whole be in any doubt about its choice. Mr. Das, in a considered statement issued from Amraoti in the first week of November, has run into wilder flights of revolutionary imagination. He wants an Asiatic Federation, a Federation of all the nations of Asia, "a bond of friendship and love, of sympathy and co-operation between India and the rest of Asia, nay between India and the liberty-loving people of the world". These "liberty-loving people of the world" are no other than the revolutionary forces of the world! He does not fight shy of

revolution, because "revolution is but a part of that growth the totality of which we call evolution"! A wild scheme of this nature need not be discussed seriously, but one thing should be emphasised. The idea of a combination of this kind, be it practicable or not, is wholly inconsistent with allegiance to the British Crown and the Empire.

#### MR. DAS'S SCHEME.

The scheme sketched by Mr. Das gains practical interest from the fact that only lately the malcontents and revolutionaries of various countries assembled at Munich. A world combination of revolutionaries is thus already in course of formation, and it would be clearly wrong as much for the Government as for us of the Moderate Party simply to dismiss Mr. Das's idea with a sneer. Thanks to the unchecked activities of the non-violent non-co-operator, we have had enough of disturbances, disorders and chocking incidents in India during the last two years, but with the threatened Mass Civil Disobedience and Boycott and this Asiatic Federation greater danger is evidently looming ahead. During 1921 there were 34 serious disorders many of which had to be put down with the help of the military. Disturbances of a less serious character were far more numerous. In Bombay, on the 17th November 1921, on the occasion of the landing of H. R. H. the Prince of Wales even under the nose of Mr. Gandhi there were riots attended with loss of 54 lives, the looting of 137 shops at the lowest estimate, and destruction of valuable property! Indeed, these riots were the worst in the history of the city. 1922 has had its own budget of disgraceful incidents, the worst being the Moplah rebellion. The riots at Madras, Chawri Chowra and Multan are typical, the last even more than the Moplah outrage besides being a significant commentary on the professed Hindu-Moslem Unity. Mr. Gandhi has himself expressed the deepest horror at the atrocities. But what does it all boot? In his statement in Court he made significant admissions. He coolly said that to preach disaffection towards the existing system of Government had become almost a passion with him and he was very particular in stating that this was not a new growth in him, but he was lachrymose over the riots. He further stated that it was impossible for him to dissociate himself from the diabolical crimes of Chowri Chowra or the mad outrages of Bombay. Two things are thus clear: That the true objective of the non-co-operation movement initiated by Mr. Gandhi is to excite the masses against Government, and not merely to paralyse executive action by non-co-operation and thereby to get Indian grievances redressed. And, further, that the movement, despite its vaunted principle of non-violence, was bound to end in anarchical disturbances and outrages, and Mr. Gandhi knew it well enough. He admitted that the Advocate-General was "quite right when he said that as a man of responsibility, a man having received a fair share of education, having had a fair experience of the world, I should know the consequences of every one of my acts. I knew

them. I knew that I was playing with fire. I ran the risk and if I was set free I would still do the same.

Now, in view of this clear admission from the lips of the author of the movement could there be any doubt as to its real purpose and trend, or as to the duty of every law-abiding citizen in the present crisis? We have had enough of this playing with fire. It may be a pleasant pastime with the non-co-operator leaders but it is death to society. Now it must stop. And it behoves us all to assert ourselves and to range ourselves frankly and fearlessly. I will not say on the side of Government, but on the side of law and order, that is, of society and civilization. We, Moderates of India, must start an active propaganda to save the country from the wiles and seductions of the non-co-operator. Propaganda must be met by propaganda. It is true the rowdies of the non-co-operation camp try their best to prevent meetings of the Moderate Party. But I am confident if we are determined and do not sink in despair from fear of rowdies and hooligans a better atmosphere is sure to prevail before long. With an active central organisation, with ample funds, success is not difficult of attainment. We must have a class of preachers, determined and tactful, with sufficient knowledge of India and the world and politics, and willing to make political preaching their profession. There cannot be a dearth of proper men, but the initiative and the organisation and the direction must be the business of the central organisation. The sooner the organisation is started and funds necessary for the purpose are provided the better it is for the country. A determined effort must be made to expose the fallacies and the absurdities of the non-co-operator. And success is bound to be ours.

#### THE PUNJAB AND KHILAFAT QUESTIONS.

Brother Delegates, the non-co-operation movement at the inception had for its justification the grievances of the Punjab. Later, with the practical amalgamation of the Congress and the Khilafat Committee, the grievances connected with the harsh terms of the Treaty of Sevres and the contraction of the temporal powers of the Khilafat was added. Both these grounds have now failed. It must be frankly admitted that the action taken by Government to remove the bitterness over the Punjab tragedy of 1919 does not satisfy public opinion. That something more drastic should have been done may also be admitted. But as regards the punishments demanded by the Indian public opinion, some of them were clearly beyond the power of the Government of India. Perhaps the assessment of compensation could have been and should have been more liberal. But this is a comparatively minor matter. In my humble opinion, however much we might feel for the shortcomings of Government in both these respects, in the circumstances of the case the failure of Government to go as far as the public in the matter of punishments and compensations does not justify continued all-India agitation,

with non-co-operation for its ruling principle. It is neither expedient nor just. Agitation based upon racial hatred can do no good. While it has, and is bound to set the back up of the British Government and has made that Government more determined in their attitude, it has successfully estranged British opinion and sympathy, and has supplied ample justification for further repression. Brother Delegates, I know the familiar cry of repression being the father of freedom. I would appeal to the people, in whose good sense I have abundant faith, not to be carried away by hackneyed political shibboleths, but as sensible men to view the matter as a business proposition, and to consider seriously if it is reasonable, nay rational, to persist in a course of action for stern measures. As men of the world we must take count of gains and losses, of advantages and disadvantages, and not be lost in contemplation of a dreamland in which modern conditions of life have no operative force. Calm consideration of all the facts as rational men will lead to the inevitable conclusion that further agitation, on the lines it has now been carried on, will do more harm than good.

It must never be forgotten that the Satyagraha movement brought in its train Jhalianwala Bagh and the Non-co-operation movement has already led to the Malabar tragedy, Chawri Chowra and other disturbances of 1921 and 1922 before which all the disorders of the previous 150 years pale into insignificance. And with every disturbance of that nature the forces of reaction are strengthened.

If the Punjab tragedy of 1919 does not justify further agitation there is absolutely no justification now for it in the fate of the Khilafat. The Caliph has been shorn of all temporal power by the Turks themselves. There is no longer any question of the preservation intact of his sovereign rights and territory in order to enable him to discharge his spiritual functions properly. Further Khilafat agitation therefore lacks justification. Now it is a question of the powers and prestige of the Angora Government. In the settlement of this question it is wholly wrong and unconstitutional for Indians to take any part and, Government would be perfectly justified in suppressing the Khilafat agitation after what has happened in Constantinople. But I hope Government interference will not be necessary, and the strong common-sense for which Indian Moslems are distinguished will induce them to drop the agitation altogether.

#### CIVIL DISOBEDIENCE.

Brother Delegates, it would be the gravest of blunders for our countrymen to resort to Civil Disobedience, whether individual or Mass. Disobedience to lawful authority and infraction of laws can certainly not be tolerated either by Government or by the large law-abiding sections of the people. It is better for the supporters of the maddest of all schemes of non-co-operation to realise that it can never find acceptance with the bulk of the Indian population, and even if it does, Government is strong enough to compel obedience

to its will and laws. And in this fight Government will have the willing co-operation of all sensible people. Mass Civil Disobedience is bound to end in complete failure, but the regret is that before it collapses there is sure to be the acutest misery, possibly attended with bloodshed the magnitude of which will stagger humanity, and might disturb the equanimity even of the self-centred Mr. Gandhi. It is time for us to pause and think.

Brother Delegates, the non-co-operator is undoubtedly Prolific in his mischievous plans. Mass Civil Disobedience does not mark the end of his mad career. Another programme is on his brain. He has so far sought to wreck the constitutional Reforms so generously granted by the British Government as a first and substantial instalment of internal self-government which is our goal, by abstaining from participation in the elections. This abstention of some of the most intellectual, earnest and experienced among our countrymen, though deeply regrettable and though justifying to some extent the doubts about our capacity for self-government and for facing realities and shouldering responsibilities, had failed to make the working of the Reforms impossible. The Reformed Councils, on the contrary, have amply justified their existence. Opinion about their success both here and in Great Britain is practically unanimous. If the Councils continue as they have begun, a further expansion of our rights in the near future is almost a certainty. There are hopes, they will still further improve. But here the non-co-operator threatens to block the course. His latest tactics is to wreck the councils from within, and this is a serious aspect of the question. Brother Delegates, the point is now being mooted in non-co-operation circles whether entry into the councils and mass obstructiveness there will not be a more effective method for bringing the Government to its knees. That something of this kind might be and probably would be attempted has not escaped the notice of wide-awake British statesmen of the front rank. Mr. Lloyd George, speaking lately in the House of Commons as Premier, sounded a note of warning. It might at once be conceded that that move on the part of the non-co-operator will have disastrous consequences. The greatest hallucination under which the non-co-operator labours is, that in the expected paralysis of Government through this move the only course left to the British nation will be to retire from India bag and baggage. Peurility could not go further. It is surprising that it never occurs to him that there is the alternative course of reverting to pure despotism as a dire necessity. Although political conditions have changed in Great Britain, no responsible statesman over there, I fully believe, ever thinks of going back upon the Pronouncement of August 20, 1917, and of undoing the Reforms; but the grant of self-government by a process of gradual evolution after all depends upon the proof we give of our capacity and fitness for a considerate use of our powers. Surely the method of obstructiveness within the councils proposed to be followed by some of the non-co-operators involves the negation of all sense of responsi-

lity, and is about the last thing that could make any favourable impression upon the British nation. I fervently hope the whole country will realise this. Besides, for the life of me I do not understand how a non-co-operator can seek election to the councils *qua* a non-co-operator. He is supposed to be an honest man. As an honest man, can he swear allegiance to the Crown on entry into the council when in his heart of hearts as also professedly he is opposed to the British connection?

Opposition in the council is by itself not wrong. It is one of the accepted methods of representative government. It is a healthy force, provided it is not the result of a deliberate conspiracy to thwart the Executive without consideration of the facts. The threatened opposition of the non-co-operating members of council has for its mainspring mere cussedness and a determination to wreck the Government. This tactics is not unknown to history. The Irish members of Parliament tried it a pretty long time, but hardly with much success. But here in India the healthy forces that kept the obstructive Irish members in check are absent. And that is the danger. The only result of such tactics can spell nothing but disaster to India, in as much as reversion to a despotic form of government might become a matter of unavoidable necessity. The non-co-operator will then have the glory of having undone the work of our great patriots of the past. Is this denouncement desired by the electorates of India? I think not, I believe not, I hope not.

Brother Delegates, a General Election will be on us in a few months' time. It is absolutely necessary for us to gird up our loins and to enter into the thick of the fight with spirit and determination, with the primary view of seeing that only men of sound judgment with a due sense of responsibility and sincerely anxious to do everything in their power to ensure the success of the Reforms, are returned. Staid men are wanted more than ever, and not flashy seers ever ready to catch the eye of the ignorant masses with flamboyant politics and wild schemes of freedom in which swords will be turned into ploughshares add the safety of India from foreign invasion will be assured by the hospitality and courtesy for the guest for which the country is famous, and internal dissensions will be drowned in a torrent of brotherly love between caste and caste, class and class and race and race, or else be hushed into silence in the whirl of the CHARKA. But the difficulty lies in the ignorance, the apathy, the gullibility, and the easy, obliging nature of the Indian elector. He has not had yet proper training in representative government. The chief duty before us now is to go to the country and educate the elector. To the performance of this duty we Moderates of India must apply ourselves forthwith; otherwise our failure at the booths will be well-deserved.

#### AMELIORATION NEEDED.

Brother Delegates, I have thus far dealt only with the evil effects of the Non-co-operation movement at what may appear to



some an inordinate length, because I feel that, that is the greatest danger to the ordered progress towards full responsible Government which we all so much desire. But because I have said that, it does not mean that I overlook the obvious measures for the amelioration of our political and economic conditions which Government must at once undertake if they are not to feed the embers of that deep underlying discontent of which the Non-co-operation movement is at least partly a mere result. Many of these measures will now come up for discussion during the course of this session and I will not anticipate them here. I have no doubt the President in his address will deal with all those measures of outstanding importance, as it will be his right as well as duty to do. But whether the Indian Government or the British Parliament moves slow or moves fast in the matter, there is not the least doubt in my mind at least that the non-co-operation movement will, if at all successful in any degree or measure, mean a sure death-blow to all our most cherished aspirations; for that can only precipitate an area of sheer despotism from which in spite of all the drawbacks in the existing situation, we may happily be said to have now emerged.

#### FOREIGN TRADE.

Brother Delegates, in the crisis created by the non-co operation movement our responsibility is all the greater in that the foreign trade of India, upon the healthy development of which our prosperity depends, will be ruined if the situation does not improve before long. No progressive nation in the world has ever prospered without foreign trade. And it is this trade which the non-co-operator, if he could, would destroy by all means in his power. I do not believe in organised boycott of foreign manufactures and foreign imports as an effective force in the economic organisation of the country. Foreign goods must come into India if our foreign trade is to balance itself. It is not that alone. Foreign capital is needed for the development of our great natural resources. Is it likely that foreign capitalists would sink money here in the abnormal situation created by the non-co-operator? In Bolshevik Russia they want foreign money badly, but they cannot get it, and quite naturally. Now, Brother Delegates, the worst feature of this non-co-operation movement is that it has created deep distrust in the minds of the foreign manufacturer and the foreign capitalist. Mutual confidence is the first and the last condition of success in commerce, and we must do all in our power to restore this confidence in India in foreign countries. Much will depend upon the discussions in the councils regarding commercial matters. Perhaps the most important discussion will be held soon.

#### FISCAL COMMISSION'S REPORT.

Brother Delegates, the Report submitted to Government by the Indian Fiscal Commission will be discussed in Council before long. I must speak of the Commission with reserve, but I must say

that the recommendations of the Commission have been made after careful consideration of the evidence before them and the general situation, and with due regard to the economic interests of the people. The honesty of purpose of the members and their enthusiasm for the speedy industrial development of India are unquestionable. On the main points there was hardly any difference of opinion among the members as a whole. In my humble opinion, there was none in substance. As regards the broad principles of Protection, Imperial Preference and Tariff Board both the majority and the minority are agreed, but whereas the majority in determining the issues before them felt bound to subordinate political to economic considerations, political considerations apparently weighed most with the minority. The prime object to be kept in view is the conversion at a reasonably rapid pace of an agricultural country into a manufacturing country, without placing upon the consumer an unduly heavy burden and with due regard to the capacity of the people to profit by artificial aids of tariff regulations. Economists of all schools are agreed that protection of particular industries can never be either permanent or for an indefinite period. To yield satisfactory results it must be applied with discrimination. This discrimination ought not to be left to the unaided will of the Executive, but should be dependent upon the advice of a body of experts who should form a Tariff Board. And this is all that the majority of the Commission have recommended. The minority of the Commission do not object to the principles of Protection thus broadly laid down by the majority. But they stumble over the details. Imperial Preference is one of the most important and difficult subjects which demand an early determination, and in regard to this also there is no real difference between the conclusions of the majority and the minority. Both have left it to be decided by the Indian Legislature, but whereas the majority have pointed out its desirability in inter-Empire dealings, the minority would exclude, for political reasons, the Colonies and the Dominions from the benefit of such Preference in the contingency of its being adopted by the Legislature. The fight is thus reduced to narrow issues, and may be settled to the satisfaction of all parties in the Legislature. But it is essentially necessary that the right sort of men only should be returned to the Councils, men, while truly representing the feelings and opinions of the people, will bring to the discussion not only fair and experienced but an open mind, a broad outlook, earnestness and devotion to truth.

Brother Delegates, in connection with the fiscal policy of India two points should be emphasized. As in politics so in fiscal matters, shibboleths and dogmas must be avoided. There is no room for dogmatism in these matters. The question must be determined after due balancing of advantages and disadvantages. There cannot be one uniform rule for all circumstances. India is a country of raw materials, some of which even in the most favourable circumstances cannot be worked here profitably. There are manufactur-

which are necessary but for which India must depend upon foreign countries, if not for all time, for at least an indefinitely long period. An exchange of indigenous raw materials and manufactures must therefore be unavoidable. And for this exchange our fiscal policy should be such as to ensure to the country the maximum of advantage with the minimum of sacrifice. Any one policy cannot in the circumstances be of universal application. The policy must be determined in each case, i.e. for each trade and industry, with due regard to the conditions, the state of its present development and the chances of prospective progress. From this general rule two deductions follow. In the first place, a policy of this nature must be revised from time to time, and in the next place, the preliminary detailed examination must be undertaken by a body of experts sitting as a Tariff Board. And both demand the earnest consideration of the legislature. The second of the two points to be emphasised is fiscal freedom for India. It is only natural that every country, not held in utter subjection by another country, with the elevating goal of self-government before it, should have full freedom in fiscal matters. For this freedom we have been crying all these years of constitutional agitation. Unfortunately, even with the liberalisation of our constitution and the formulation of a higher aim and purpose of British Indian Rule, fiscal freedom for India has not been placed on a statutory basis. Lord Selborne's Committee only laid down the rule that in all matters in which the Government of India is in agreement with the Indian legislature, there will be no interference by the Home authorities unless it be from necessity from considerations of Imperial obligation. Fiscal freedom is thus on an unstable basis now, and even with the growth of the strongest of conventions, cannot crystalize into a statutory right. But this statutory right is undoubtedly our due. And I sincerely hope and trust we all, never mind to which political party we belong, we join hands and agitate strenuously for it.

Brother Delegates, If I have dealt with the non-co-operation movement and the Indian fiscal question to the practical exclusion of all other subjects, it is not, as I have already said, for lack of interest in them. Any number of problems more or less important await solution. In my humble opinion, however, those two are, in existing circumstances, of outstanding importance, and the people would be well-advised to concentrate all their energy upon a proper solution of those problems. It is true the whole of our constructive programme of political and economic progress lies before us practically unworked, but our success in that line is entirely dependent upon internal security and peaceful conditions. Unfortunately, through the mischievous activities of the non-co-operator that security is almost at an end in parts of the country, while in other parts it is threatened such as it has not been during the past sixty years. Nowhere in India can it be said with due regard to truth that absolutely peaceful conditions prevail. In view of these facts the wisest

thing the moderate party can do is to tackle the problem of non-cooperation with energy and determination. One cannot afford to think of other matters, however necessary and important they may be, when one's house is on fire. Brother Delegates, let us now wake up and make a concentrated and determined effort for the restoration of internal peace, with which no progress, be it political, social or economic, is possible, and for preventing the fair name of India from being tarnished. We have conserved our energy and lain in wait long enough. The time is come for the word of command to pass: "Up Guards and at them."

Brother Delegates, I once again offer you a most cordial welcome, and to request you to overlook possible defects in our arrangements for your reception. Believe me, the will is there even though the performance be poor.

# **FIFTH SESSION OF The All-India Liberal Federation**

**NAGPUR, 27TH. DECEMBER, 1922**

## **Presidential Address**

The following is the full text of the Address delivered by Mr. V. S. Srinivasa Sastry, President of the National Liberal Federation held at Nagpur on 27th. December 1922.

**LADIES AND GENTLEMEN,**

LIBERAL organizations all over India have conferred on me a very great honour and I am profoundly grateful. The conduct of your deliberations at this session is a delicate as well as a difficult task. Some friends have written to tell me of their expectations and would be surprised perhaps to be told they have not exactly heartened me. I should have rejoiced sincerely if your attempt to secure another President and a worthier one had succeeded. My friend Dr. Tej Bahadur Sapru has qualifications for the position, natural and acquired, to which I cannot lay claim. The Liberal party's bad luck had ordained that his release from official bondage should come a few days too late. And I am here. I am willing to serve. Make the best of me you can.

First let us pay a tribute of affectionate memory to those of our friends who have passed away in recent months from the scenes that knew them well. Dewan Bahadur C. Karunakara Menon, after many years' faithful and highly appreciated labour in the field of journalism, died in his native district in honourable poverty. The political views of Babu Motilal Ghose and his quaint manner of expressing them gave him during nearly two generations a place all his own in the public life of our country. We shall long miss the amiable figure of Dr. Sir Bhalchandra Krishna, somewhat rare in recent years on our platform, but one of the heroes of the past generation, of wise and weighty speech and not easily swayed by passion or prejudice. The loss of Sir Vithaldas Damodar Thackersey is a grief from which we shall take very long to recover. His knowledge of business, courage in advocacy and restraint of expression gave his pronouncements uncommon weight in the Assembly. A debate in the old Imperial Council when it still sat in Calcutta is among my vivid memories in which he vigorously and skilfully assailed the railway policy as to rates, while Mr. Gokhale sitting near him beamed approval and encouragement. The Bombay Legislative Council is the poorer for the death of Rao Bahadur G. K. Sathe, whose clear common sense and quiet speech made his counsel invaluable both to those who sit on the official benches and to their critics.

## MR. MONTAGU.

On this occasion, when the Liberal party in India meets for the first time after the recent political changes in England, our thoughts go naturally to the Right Honourable E. S. Montagu. In the long history of our British connection, no one has loved India more, no one has sacrificed more for her, no one has been more courageous or persistent in the application to her of the noble principles of Liberalism, no one amongst front-bench politicians in England has had a more thorough or sympathetic knowledge and appreciation of her problems or her ambitions, no one has had a higher conception of her destiny within the British Commonwealth, and no one has put together a more substantial record of actual achievement in the pursuit of that destiny. We all regretted very much the sinister intrigue which deprived him of office, and we regret still more those cross currents of English politics which have resulted in his exclusion from Parliament altogether. What a loss it is in these days, when there is reasonable fear of reaction or stagnation in Indian affairs! Though in opposition, his voice would have carried more moral weight than that of any other single member of the House and his guidance would have been of rare authority. India thinks of him with sorrow made poignant by her gratitude and sends him her best wishes for a future career worthy of his great services to India and to the British Commonwealth.

## SIGNS OF REACTION.

The Prime Minister and the Secretary of State for India and certain other politicians of note have declared their intentions not to go back on the policy of the Government of India Act, 1919, and to abide loyally by its provisions in spirit as well as in the letter. This doubtless brings some relief to the anxious mind of India, and we trust that the strength of the Labour party in Opposition and of the Liberal party will be sufficient to avert any tendency to reaction which the presence in the new Ministry of some well-known opponents of the Government of India Act might lead us to apprehend. Our friends in England, of whom to the honour of British public life there never has been a want, hold out no great hope of any advance under the present regime. Those who have experience from the inside of actual administration in India already detect pronounced symptoms of a tendency on the part of the India Office, while observing the letter of the law, to violate it in the spirit. The more acute section of the general public here, only too ready to imbibe a note of pessimism, profess to be startled by an attitude of entrenched confidence on the part of the Imperial services quite at variance with their uneasy apprehensiveness of a little while ago. Speaking in May last to an audience composed almost entirely of high officials, I took the risk of being accused of impertinence, warned them solemnly that there was a very widespread distrust of their good faith in the matter of political reforms in the country and implored them not to be too solicitous of the maintenance of vested interests,

but to proceed with high hearts in the work of preparing India for Dominion status, giving continual proof of a recognition on their part that that was their one high mission and purpose here. So cautious and just-minded a man as Sir Sivaswamy Aiyar has recently given expression in the columns of the NINETEENTH CENTURY AND AFTER to similar sentiments. I will make no apology for quoting some sentences from his weighty pronouncement: "It, i. e. the unrest, is largely due to a complete loss of faith in the minds of large sections of the people in the sincerity of the declarations and promises of the Government, and in their sense of justice. Belief in the justice of the British Government has been the most valuable asset of British rule in the past. The result of Mr. Gandhi's agitation has been to undermine this belief. It is this distrust of the Government which is largely responsible for the disbelief of many educated men in the reality of the constitutional reforms, and which has induced them to become extremists and resort to the method of Non-co-operation with all its pernicious consequences. The most pressing problem, in my opinion, is how to restore the faith of the people in the good intentions of the Government."

When I was in England last year I heard a member of the Cabinet deplore a political mishap and add that it could have been avoided if the men on the spot had given timely warning of the magnitude of the danger that was gathering ahead. The remark struck me at the time as a rather forcible reminder of the duty of all public men, non-official as well as official, to speak out in critical times without fear and without reserve. Doubtless some men in authority will resent candid speech and denounce it as a threat, but that is a risk that must be faced by those who would save communities from injury and statesmen from blunders. It is in this spirit that I venture now to survey broadly and briefly the present political situation.

#### INDIANISATION OF THE SERVICES.

The new constitution of India has been designed as a first step towards responsible government. It transfers to the control of elected representatives of the people certain departments of public business, while it enhances the influence of those representatives over the remaining departments. The British element in the public services has been told that it will diminish continuously in the future, and that, while it lasts, its function is to train people in self-rule. British officials must now be prepared to be judged by the care and solicitude with which they discharge this last duty. They have, it must be allowed, a more vivid appreciation of the difficulties and complexities of self-rule. They must know that, while Parliament can pass an Act and sanction a few rules, the actual transfer of political power has to be effected in this country in a multitude of matters more or less large, and that they must not lose a day or an opportunity in giving to the children of the soil every possible facility for learning how to work parliamentary institutions in their entire range.

While the statute prescribes that after ten years a commission should be appointed to examine and report how far further progress is possible, the executive in India are expected in the interval not to mark time or refuse sullenly to move, but to do everything short of Parliamentary legislation to keep the good work going. Let us take, in the first instance, what is put down in the forefront of the preamble to the Act, viz. the increasing association of Indians in every branch of the public service. Before the Declaration of Policy of August 1917, the position of Indians in the public services had been the subject of one of the bitterest complaints against British administration. After the Act, one would expect the association of Indians in every branch of the public service to proceed with marked speed. Some time ago, instead of declaring in conformity with the above-mentioned policy what the minimum proportion of the British element should be for the time being and leaving the balance to be filled up by statutory Indians, the old principle was continued of dividing the cadre in British and Indian proportions, as though it were a common patrimony, and the Indians were to be limited to a percentage of 48 which was to be reached in ten years from an immediate beginning of 33 per cent. This 33 per cent. is on the annual recruitment. Before the Indian element would actually reach 33 per cent of the whole service, it would be 20 to 25 years. When that element attains to 48 per cent, it would be about 30 to 35 years. Already interested people fill the air in Britain and in India with the cry that the Indian element is growing alarmingly and dangerously large. The famous O'Donnell circular asserts that the proportion of Indians to the total cadre is to-day only 12 per cent. We are thus enabled to see the slender basis on which alarmist forecasts of the destruction of the steel frame are based. It is such unfounded representations, repeated in the English Press over Anglo-Indian signatures, which are to a great extent responsible for the growing unpopularity of the Indian services, and which friends of India like Lord Meston, Sir Claude Hill and Sir Valentine Chirol find it so difficult to counteract. Now my question is, Is the Indian patriot generally and the elected member in particular of our new Legislatures content with this rate of Indianisation of the great Civil Service? On the contrary, is it not a most depressing and disheartening indication of the intolerably long delay in the attainment of full responsible government, which it is the apparent intention of the authorities to cause in so far as it is in their power? When we think in addition of the overpowering consideration of economy, we are disposed to grudge every single year.

I wish to take you somewhat deeper into this question of Indianisation. Now by the very hypothesis of the case an important aspect of Indianisation is the admission of qualified Indian members of the Service into those branches of administration where they would be trained in the inner art of government and initiated into its secrets. No better test could be devised of the sincerity of the authorities in their desire to obey the requirements of the preamble



to our Act than the extent to which they have appointed Indians to the Secretariat of the Government of India and the various Local Governments. The following table gives the necessary figures for comparison :—

TABLE I

## Government of India.

Secretaries (including Joint Secretaries)	.	13	1 Indian
Deputy Secretaries	..	13	3 Indians
Under Secretaries	..	5	1 Indian

31 5

TABLE II

## Local Governments.

	Secretaries	Dy. Secy.'s	Under Secy's.	Indians.
Assam	4	0	2 (1 Indian)	6 1
Bengal	9	2	2	—13 Nil
B. & O.	6 (1 Indian)	0	5(2 Indians)	—11 3
Bombay	9	6 (1 Indian)	3(1 Indian)	—18 2
C. P.	3	0	3(2 Indians)	—6 2
Madras	8(1 Indian)	1	7(6 Indians)	—16 7
Punjab	7(1 Indian)	0	10(1 Indian)	—17 2
U. P.	9(1 Indian)	4	5(3 Indians)	—18 4

\*55 (4 Indians) 13\* (1 Indian) \*37 (16 Indians) —105 20

\*N.B. Including figures for the P. W. D. also.

If it be urged that Indians of sufficiently long standing are not available, the following table will supply the means of testing the contention.

TABLE III.

Indian Officers of	5 years	10 years	15 years	20 years & up,
Assam	.. 1	1	1	1
Bengal	.. 4 (1)	0	1	1
B. & O.	..	0	1	3
Bombay	.. 1	1	3	1
C. P.	.. 2 (1)	1	1	2
Madras	.. 1	2	1	4
Punjab	.. 1	1	1	2
U. P.	.. 6 (2)	2	4	4

19 (2) 8 13 15

This table shows that there are at least 19 Indian officers available for Under-Secretaryship under the Government of India, 8 officer for Deputy Secretaryships, 13 for Joint or Deputy Secretaryships and 15 for Secretaryships, and memberships of the Executive Councils, etc. Assuming that there had been no Declaration of Policy in 1917 and no action consequent thereupon, these figures would disclose grounds for the belief that Indians had not had a fair

chance given to them of acquiring Secretariat experience. Judged in the light of that declaration and the preamble to the Act, the authorities responsible for the selection of Secretariat personnel will find it hard to prove that they have done their duty. While a tilting of the balance in favour of Indians might be justified and even required in view of the future, they are not getting even their due. How ridiculously wide of the mark is the cry of interested parties that Ministers choose their officers on grounds of favouritism.

#### THREATENED INCREASES IN SALARIES.

I have never been slow to sing the praise of the Indian Civil Service. I admire their high record, and I am thankful, deeply and sincerely thankful, for the way in which they have built up the administration of India on firm, efficient and thorough lines and given us, what perhaps we might not be able to evolve for ourselves, a whole body of auxiliary and subordinate services characterised by a fair degree of integrity, discipline and usefulness. I am not quite fitted by my birth or upbringing to judge of the pecuniary circumstances of well-placed officials, but some recent observation in England and the Dominions inclines me to concede that there is much in the contention that in the case of those who have to maintain establishments in India and outside, salaries, even though improved slightly, are not the same as they were some year ago. At the same time I am one of those who hold firmly that the claims, however legitimate in one sense, of high-salaried employees of the State are by no means comparable in justness or urgency to those of employees in receipt of modest salaries. Further I contend that their claims to relief are sternly limited and may be completely negatived by the low condition of public finance and the intolerable burden on a notoriously poor tax-payer. On purely economic considerations, therefore, it seems to me that, if further recruitment in Britain is possible only on a greatly increased scale of salaries, allowances, and emoluments of one kind or another the representatives of the people in our Legislative Assembly will be compelled, with much reluctance, to recommend a cessation or at least a substantial abatement of such recruitment. No commission, however authoritative, can reconcile us to increased impositions on account of the British services. Moreover, British prestige and the continuance of relations of mutual friendship and confidence between the races alike require that none but the best products of British culture should be brought hereafter to fill positions of influence and responsibility alongside of the best men turned out of our Universities. More than once before we have made the costly mistake of supposing that to increase the attractions of the services is necessarily to improve the quality of recruits. I am aware that during the last two years the number of British competitors at the Civil Service Examination has diminished considerably, and in consequence the recruitment has been greatly in favour of the Indian element. Some further experience is necessary before we can determine how far this

alteration is permanent. It seems to me anyhow the equity of the case would give to the children of the soil the benefit of any unforeseen conditions that operate in their favour.

#### ORDER REGARDING THE I. M. S.

A recent cablegram gives the disquieting news that the Secretary of State for India has appointed or is about to appoint to the Indian Medical Service 30 men on terms of special advantage, and I have read in some newspapers that this action of the Secretary of State is heralded by the termination of the services of Indians that have been taken temporarily during the war. While I was in England, I heard that a proposal of the Government of India, that in consideration of the difficulty of attracting British recruits ten appointments should be conferred on these temporary incumbents, was turned down by the India Office. I make these statements for what they are worth. I have not verified them. But one would like to know on what recommendations of the Government of India the Secretary of State's recent addition to the burdens of India is based. Our case is that the retention of the Indian Medical Service on its present footing has the effect of treating the civil medical needs of India as though they were completely subservient to the requirements of the Military and that it constitutes not only a serious hardship on the independent medical profession in India, but an artificial bar to the advance of medical research in this country. Champions of this service have not improved their case by resting it in great part on the necessity of providing qualified European medical assistance to the European services of the country. These latter services would on that view become in the popular eye even more burdensome than they are. It is quite true that under the statute the Secretary of State in Council has power to determine such matters; and the Indian Medical Service is placed in a specially privileged position by Rule 12 of the Devolution Rules: "A local Government shall employ such number of Indian Medical Service officers in such appointments and on such terms and conditions as may be prescribed by the Secretary of State in Council." But the mere possession of power will not justify any and every use of it. The Indian Legislative Assembly has certain financial powers and would be quite justified under provocation in employing them so as to embarrass the Government. I much fear that if the 30 appointments are made by the Secretary of State to the Indian Medical Service on the conditions named, no one can foretell what the Assembly will do to safeguard the tax-payer's interests. It is difficult to imagine a representative House anywhere in the world sitting still and watching the nation's resources squandered with so little justification while the Central Government and most Local Governments lay under the nightmare of financial bankruptcy. How entirely without initiative we are here in India is proved by the statement made the other day by Sir Ludovic Porter in the U. P. Council that the Retrenchment Committee of that province

could not even consider the case of the Imperial Services without special leave of the Secretary of State.

#### CONTROL OF THE SERVICES.

Before I leave the subject of the services, there is one suggestion which I commend to the acceptance of the Liberal Federation. The point occurred to me rather forcibly when we were considering the provisions of the Government of India Bill before the meeting of the Joint Select Committee. There is no government in the world of the magnitude and importance of that of India whose employees down to those drawing salaries of 400 and 500 rupees are chosen for them, punished and dismissed by superior authority. The anomaly, why the humiliation of it, was made glaringly manifest when, in a measure conferring self-government on the people of India, the provision was repeated that all the Imperial services were to be recruited by the Secretary of State and that their salaries, pensions, allowances, &c. were to be regulated by him and were exempted from the vote of the Legislative Assembly consisting of a great majority of elected members and supposed to be endowed with the power of sanctioning, reducing, or refusing money grants at the time of the annual budget. It is highly honourable to the discipline and the sense of propriety of these services as a whole that they have remained amenable to the control of the Governor General in Council or the Governor in Council, though these cannot dismiss them. It is difficult, however, for Ministers and Indian Executive Councillors to command the same willing homage and co-operation from the great body of these services. It seems to me that the time is come when we must demand that the Governor General of India in Council should take the place of the Secretary of State for India in Council in all matters relating to the Indian Civil Service and other Imperial services, the High Commissioner for India entering into covenants, dealing with the Civil Service Commissioners and doing other functions in this connection as the agent of the Government of India. Of course the statute would have to be altered and many rules and regulations modified accordingly. But the dignity and authority of the Government of India must be recognised and the Secretary of State for India, who is entirely out of touch with Indian sentiment and can defy it with impunity, removed from the position of supremacy which he now occupies with regard to the great services.

This proposal would seem to be incongruous with the plea advanced here for provincial autonomy. In fact certain provinces have already begun to clamour for the complete provincialization of the Services hitherto recruited in England and called Imperial. Without doubt that is the proper ideal, but there are cases in which what is logical is not necessarily sound, and this is one such. I cannot do more than mention the principal grounds on which I recommend this half-way-house arrangement. In some provinces appointments are regulated on communal consi-

derations. while it is necessary that the higher services should be on grounds purely of merit and efficiency. Narrow political considerations would interfere with the bestowal of patronage far more in the provinces than at the centre. It is desirable that provincial barriers should not be recognised in the recruitment of the higher services, so that the unity of India may be maintained in this striking way. The public spirit and civic virtues of a people are largely influenced by the character of the services, which must deteriorate under political influences.

Let me likewise recall the disappointment of the public that the experiment of appointing an Indian to one of the Governorships was abandoned so soon as the man of first choice vacated his office. It is doubtless true unfortunately that the name of any conceivable Indian would have been received with disapprobation or the ill-tempered section of the Press. The same remark would apply to the post of High Commissioner for India. But this circumstance should not be taken advantage of by a high-minded Government anxious to associate competent Indians in every branch of the public service.

While on the subject of high appointments I must deprecate the practice that now seems to have established itself of shifting Governors from one province to another. Some years ago strong disapproval was expressed of the appointment of High Court Judges to the executive Government. It seemed as though the authorities agreed to the general principle. But curiously enough, soon afterwards, an Executive Councillor at the end of his term was appointed High Court Judge. Now holders of these high appointments must not be taught to expect further favours, and the people of every province are entitled to expect that their affairs would be administered by one who is above fear or favour.

#### THE ARMY.

The Army question, however, is the test of tests for the BONAFIDES of the British Government. Its urgency arises from two considerations either of them strong in itself, but both together, of paramount and overpowering force. The first consideration is financial, it being indisputable that the straitened state of Indian finance is due in great part to the inordinately bloated expenditure on the Army. The Indian Government are genuinely alarmed and, besides affording full information to the Assembly and seeking their advice, they have also forwarded to England with their own recommendations the findings of a strong and representative Committee which were calculated to effect certain economies immediately and also reduce the total cost of the Army by gradually Indianising the commissioned ranks and reducing the British part of the Army. Nobody can tell with certainty at what stage these urgent proposals and recommendations lie in England, but it is rumoured that the Army authorities, who have the last say in the matter, have not been moved even by India's direst necessity. The

other aspect of the matter goes even more to the root. Dominion status, which has been promised to India, is not possible in its fullest sense without the means of self-defence. It is true she pays every anna of the stupendous cost of the Army and in that way fulfils, nay more than fulfils, the conditions embodied in a resolution of the House of Commons of the 4th March, 1862 : "that this House (while fully recognizing the claims of all portions of the British Empire to Imperial aid in their protection against perils arising from the consequences of Imperial policy) is of opinion that Colonies exercising the right of self-government ought to undertake the main responsibility of providing for their own internal order and security, and ought to assist in their own external defence." An unexampled policy of suspicion, however, has hitherto denied the inhabitant of India admission to the King's commission, with the result that, even if Indianisation began to day on the most generous and thorough-going scale and were prosecuted without intermission in the most honest spirit, it would take 25 to 30 years to complete the process. One hears that the proposals now before the authorities would spread the process over something like 35 years, and that even these are likely to prove unacceptable. Was Mr. Montagu gifted with prophetic insight when on the 5th December, 1919, at the last stage of the Government of India Bill he warned the House of Commons in a memorable passage? "Do not", he said, "deny to India self-government because she cannot take her proper share in her own defence and then deny to her people the opportunity of learning to defend themselves". This odious combination of insult and injury was paralleled only in India till the other day by the denial of representative institutions to her people on account of their illiteracy and resistance at the same time to all attempts to introduce a system of compulsory elementary education. The stagnation that has overcome the proposals of the Government of India with a view to retrench expenditure on the Army and Indianise the officer ranks is the most serious indictment of the intentions of the British authorities, and one does not see how the charge can be refuted. The delay aggravates anti-British feeling every day, and a loyal citizen feels it his duty to sound a serious note of warning and trusts that it will not be construed as a threat. The idea that self-defence is an inseparable attribute of Dominion autonomy is a theory of recent growth. In its early stages what was required was that the expenditure should be borne by the self-governing colony, a condition which has always been fulfilled by India. I believe British troops were not withdrawn from the Transvaal till several years after it had received self-government. No doubt the inauguration of the Irish free State has been followed within a short time by the withdrawal of the last English garrison. But this precedent cannot be applied in its rigidity to India, where the citizen has long been denied the right to bear arms or to exercise any but the most insignificant command in the so-called Indian Army. If the civil side of Dominion status is practicable in this country much before

the military side, the anomaly is the direct consequence of the narrow policy pursued by Britain hitherto; and during the period that the Indianisation of the Army takes place, the British Army here must agree to defend the country, though it be governed by a civil power not of its own nationality. There is no inherent necessity for the transfer of civil power to wait on, or be measured by, the transfer of military power. At any rate Great Britain is under a moral obligation not to insist on any close concomitance between the two.

#### INDIANS OVERSEAS

I had intended after my speeches concerning my Dominion tour not to refer to the subject of Indians overseas in this speech. But certain events that are taking place around us render it advisable that I should express my feelings on the subject as clearly as possible. British Guiana and Fiji have recently been visited by Commissions appointed by our Government. Considering their personnel, I am inclined to await with confidence the publication of their recommendations. Great interest attaches to the colony of Kenya, where the relations between the White settlers and our countrymen are so strained that influential men in London throw up their hands in despair. The white settlers, in whose composition as a rule greed and pride seem to be combined to an intense degree, cannot brook the idea of equality with Indians and threaten violence if a system based on equality were forced on them. Our people are equally determined to take nothing less than equality. I heard good accounts of Sir Robert Coryndon, the new Governor of Kenya, but it is doubtful that he can do much. It is surprising that after two or three years of struggle the Colonial Office should abdicate its function as it were, and the Duke of Devonshire proclaim that he would support the man on the spot. It is difficult to interpret properly a meagre cablegram, but the principles involved and our interests at stake alike require that we should not put our trust too much in the personal idiosyncrasies of the man on the spot, whom an arrogant and over-grown community may coerce in many ways. If the Imperial Cabinet of Great Britain find themselves unable, owing to the truculence of White colonists, to carry out the resolution of 1921, it is an impressive lesson to other communities in the Commonwealth that what prevails at the seat of empire is neither justice nor the sanctity of resolutions, but a treat of force. Even in the history of British India an episode or two have happened in which the European community have gone immoderate lengths in defence of unjust privilege and monopoly. In French Canada the establishment of responsible government was accompanied in 1849 by an outbreak on the part of the English malcontents which ended in the burning down of the House of Parliament and a personal insult to the Earl of Elgin, Her Majesty's representative. A sentence may be quoted from his despatch on the subject and commended to the Colonial

Minister and his man on the spot. "Meanwhile it is my firm conviction that if this dictation be submitted to, the Government of this province by constitutional means will be impossible, and that the struggle between overbearing minorities backed by force and majorities resting on legalities and established forms, which has so long proved the bane of Canada, driving capital from the province and producing a state of chronic discontent, will be perpetuated."

With regard to the self-governing Dominions, the Bombay Corporation and Indian Chamber of Commerce have passed resolutions expressive of impatience at the way in which they treat the just rights of our countrymen. Apparently these bodies think that we had best retaliate at present. I have more than a suspicion that this is exactly what the shrewd anti-Asiatic would desire. In fact, I was asked by a representative of South Africa last year in London : "If we hit you hard, why don't you hit us hard in return? We have agreed to the principle of reciprocity." They know that the number of their nationals resident in India is so small as to be negligible, and that our retaliation therefore cannot amount to much. On the other hand, if you did retaliate, we should have shot our last arrow, and our opponents might cry quits. I am sure our nationals domiciled abroad will not thank us in the end, for we shall have lost the moral advantage we now possess in urging their claims. Moreover, in the three Dominions that I have visited I see no insuperable barrier in the way of our people similar to that which by all accounts exists in South Africa. Our people in Australasia or Canada have not organised themselves and made a demand for equality. In fact they are incapable without aid from us of a sustained struggle for their rights. Active Indian propaganda is the one condition of ultimate success. Without such it is unwise to expect just treatment or become angry when it is denied. We have just made one attempt at direct negotiation and, though I say so, not without some success. I submit it is too soon to give up hope.

#### THE WORKING OF REFORMS.

Let me now turn to a review of the earlier events under the new constitution. They were full of promise and gave cause for gratulation. Officials were cordial and courteous, non-officials were willing to learn and full of consideration for the needs of the executive. Both alike were keen on the success of the Reforms. In several provinces the Governors forgot diarchy and treated the two halves of Government as one undivided Cabinet. The new legislatures, under the double blight of non-co-operation and financial bankruptcy, faced their tasks with a courage and sagacity which promised well for the future of political India. On the Central Government, contrary to expectation, the interest of India centred. The Legislative Assembly, though consisting of representatives from diverse parts of India, discharged its duties like a tried body of legislators and won the approbation not only of their President but of impartial observers generally. The official members too for their



part showed a spirit of tolerance and helpfulness which did them great credit. Rules and regulations were interpreted in a liberal spirit, and the Assembly were invited to discuss the military Budget and other proposals as though they had not been excluded from their scope. A strong committee of that body also sat on military matters generally and produced a unanimous report, which did not make heroic recommendations, but which even so lies unheeded on the shelves of the War Office. On a resolution on Indian autonomy the Home Member, Sir William Vincent, thought it necessary to adopt a conciliatory attitude and himself proposed an amendment which, being accepted by the Assembly without a dissentient, committed that body, including the members of the Government, to the view that the question of further constitutional reform should not be allowed to wait till the ten-year limit had expired. Again, on a motion regarding the rapid Indianisation of the services the same spokesman of Government treated the question from a detached and sagacious point of view and agreed to institute immediate inquiries as to how to secure increased recruitment of Indians to the all-India services. With regard to those sections in the Act which represented the vestige of autocracy, endowing the Governor-General and the Governors, acting sometimes singly and sometimes with their Councils, with extraordinary powers of overriding their legislatures, one must admit that on the whole there has been little cause for public dissatisfaction. Such exercise happened only in two or three instances in the provinces and passed off quietly. It is well-known that the Governor-General of India in Council recently resisted great pressure brought to bear on him to resort to the process of certification in connection with the Budget. His forbearance till last September must be mentioned with special thankfulness, because it has had the somewhat unexpected effect of enhancing the prestige of the Indian Parliament. It will be remembered that it was contemplated to leave the Government of India in the possession of undisputed and indisputable authority and that this authority should be frequently and as a matter of course asserted. The institution, however, of two Houses of Legislature, one with an overpowering and the other with a decided elected majority, has made the exercise of overriding powers a matter of such grave risks that it was possible for the Assembly by judicious restraints upon its own conduct to have allowed the autocratic sections to remain inoperative for a long period, and then it might have been comparatively easy to ask for the repeal of the obnoxious sections. From a popular point of view it is regrettable that with regard to the Princes Protection Bill one of these sections has been utilized. On the merits of the question, I should say the enactment of the measure was unnecessary. On the other hand, it is open to question, with the clear sight which comes after the event, whether the Assembly was wise to refuse leave for the Bill to be introduced. It was and is to our interest that if the Governor-General has recourse to these sections, he does so in cases in which a detached observer would say that the Assembly

had behaved with moderation and self-restraint and given the executive no justification or excuse for out of the way procedure.

To go back to the main line of thought. I was saying that, though the original idea had been to give the popular voice no real controlling power, the forbearance of the executive had in practice given the Indian Parliament a fair measure of real control over the policy and measures of administration. In my accounts of our new constitution and its working during my recent tour, I have always emphasised this unintended effect and claimed for the authors of the Government of India Bill that they builded better than they knew. To the higher officials concerned in the working of the new regime, I have given full meed of praise for their friendly and liberal attitude. I used to mention Sir Harcourt Butler in particular as a striking instance not only of ability, but of that rare sense of discipline which is one of the high qualities of the Indian Civil Service and which enables its members cheerfully and faithfully to carry out policies of which, however, they may not personally approve. Sir Harcourt, far from favouring the original Montagu-Chelmsford proposals, had fathered a rival scheme and pushed it as far as he could. Nevertheless, when called upon to administer the Act, which he had strenuously opposed, he was regarded as one of its truest interpreters.

#### IMPROPER INTERFERENCE.

But has this great chapter closed? Are we no longer a happy family? Have the authorities begun to weary of well doing? Are they pulling themselves back? One would not like to believe so, but there are disquieting portents which may not be overlooked, and they proceed from a quarter where, while Mr. Montagu was in office, Indian interests never failed to find a champion. One of the cardinal principles laid down by the Joint Select Committee on the Government of India Bill was that, when the legislature and the executive were in agreement on any matter not involving Imperial interests, there should be no interference from higher authority. Fiscal autonomy, to the extent that we now enjoy it, is regarded as a special application of this principle. During the discussions of 1919 it was regarded as of the utmost importance, and in the period of transition public opinion in India must jealously safeguard it from violation by the Secretary of State in the case of the Government of India or by the Government of India in the case of the Local Governments. Some months ago, in another connection, I had occasion to praise Mr. Montagu for the way in which he was willing to let the autonomy of India develop even at the cost of some self-suppression, and I have heard him say, with humorous exaggeration, that his ambition was very soon to abolish himself. Can it be said to-day that the India Office respects this principle sufficiently? I read the other day a long string of matters of apparent agreement between the Government of India and the Indian Legislature either negatived or held up at Whitehall the recommendations as to

military expenditure, proposals for Indianising the Army, proposal for diminishing recruitment in England to the all-India services, proposals for appointing Indians to the Indian Medical Services, proposals in regard to Frontier policy and the recommendation of the Racial Distinctions Committee. Even if the Secretary of State in Council has interfered only in some of these matters, it is a cause for public alarm in India, and it is necessary to consider how we could help the Government of India resist these encroachments. At the time this principle was enunciated, I remember pointing out that, if it was to be at all efficacious, the Government of India ought to be expressly freed from the necessity of previously consulting the Secretary of State before taking part in the discussions with the legislature. My information is that the rules require such previous reference in far too many matters yet. This unwholesome practice unduly limits the initiative of the Government of India and automatically narrows the limits of possible concurrence with the legislature. It is no wonder the tendency to reaction, wherever it exists in the official world, has received encouragement by knowledge of these circumstances, betokening, as they do, a change in the atmosphere of Whitehall. The Secretary of State has recently sent out orders forbidding Local Governments to refer to committees any question in any manner affecting any of the Imperial services. In practice this would greatly narrow the scope of our legislatures and prevent them from even advising on reserved subjects, let alone exercising increased influence over them.

#### DIARCHY.

Since I spoke on this subject in Bombay my opinion about diarchy has not been shaken. I think it has reached its limit of usefulness. Not having inside knowledge of any administration, I am unable to enforce my opinion by a striking array of specific instances. Perhaps Ministers at present in office and Executive Councillors, when freed from official restraints and called upon to state their experience before a duly authorised commission, will make out an overwhelming case for the termination of quality in provincial administration. The best results have been obtained where Governors have treated Councillors and Ministers as belonging to one Cabinet. The rule requiring that the Finance Member should be an Executive Councillor has placed Ministers at a decided disadvantage in obtaining money for their departments. Official discipline too is difficult to maintain, as Ministers have discovered, when an officer cannot be censured or transferred except with the consent of the Governor. In some provinces Ministers are not recognised as forming one official group. This practice violates the recommendation of the Joint Select Committee, which was in these words:—"In these circumstances the Committee think that it should be recognised from the commencement that Ministers may be expected to act in concert together. They probably would do so; and in the opinion of the Committee it is better that they should,

and therefore that the fact should be recognised on the face of the Bill." Some Ministers have complained that, while anybody and everybody was free to communicate his views on the O'Donnell circular to the Government of India, they, i.e., the Ministers, were precluded from doing so, because their Governor took a narrow view of diarchy and would not consult them where a reserved subject was concerned. In another case a Minister had to threaten to resign before the Governor would allow him to choose his under-Secretary. A Governor has even been known to play a backward section of the Legislative Council against his Ministers who could not except in special cases depend on the official votes either. They thus depend on a highly precarious and shifting majority. The United Provinces Council presented to a scandalized India the spectacle one day of an Executive Councillor speaking against a Minister and on another day the spectacle of a Minister requesting his own Secretary not to move an amendment to which he, the Minister, had not given his consent. In the same province for many days a Councillor and a Secretary were openly accused, without eliciting any satisfactory reply, of canvassing members of the Legislature against the District Boards Bill which had been brought forward by a Minister. The fact that no notice is known to have been taken of these incidents by the Governor would seem to lend colour to the suspicion that he rather enjoined the confusion of the Minister in the circumstances. In Madras, where the evils of diarchy are the least felt, the desire for complete provincial autonomy is the strongest. One of the Ministers of that province said the other day :

"I am Minister of Development MINUS Forests and you all know that Development depends a good deal on Forests. I am Minister of Industries without Factories, which are a reserved subject, and Industries without Factories are unimaginable. I am Minister of Agriculture MINUS Irrigation. You can understand what that means. How Agriculture can be carried on extensively without Irrigation in the hands of those who are responsible for it is rather hard to realise. I am also Minister of Industries without Electricity, which is also a reserved subject. You all know the part which Electricity is playing in the development of Industries now-a-days. The subjects of Labour and of Boilers are also reserved. But these after all are some of the defects of the Reform scheme,"

A half and half system is naturally productive of friction and wears out the nerves of those who have to work it. Members of the services are not the least loud in demanding that the system should be developed to the full. It seems now to serve no useful purpose. No one, official or non-official, has questioned the efficiency of Ministers or their ability to manage the reserved services if these should be entrusted to their care. The public will long remember the indiscriminate arrests of a few months ago and the high-handed use in certain place of section 144 of the Code of Criminal Procedure

and they no longer wish to have such powers exercised by officers without fear of being called to account in the House of Legislature.

These remarks should not be interpreted as amounting to a wholesale condemnation either of diarchy or of the machinery of which it forms a feature. An enumeration of the good work accomplished by the popular side of our Local Governments would be cheerful reading. Here is a summary, by no means careful or exhaustive. Ministers in all the provinces have to their credit legislative measures which will redound to the country's advantage. I need instance only a few in order to show how successful they are in initiating new policies in their respective departments. It is an unfortunate circumstance that Ministers were called to administer these departments just when financial difficulties became very serious; and therefore naturally the first reforms to be effected were those which did not entail much outlay of money. For instance, municipalities and district boards have in most provinces been placed on a popular footing. But Ministers have not shrunk from undertaking large schemes of expansion involving heavy increases in expenditure and thus facing additional taxation. Some of the measures introduce bold new departures in policy which would have been almost inconceivable in the old regime. I would give the first place among these to Dr. Paranjpye's Compulsory Education Act, which replaces the optional compulsion of the Act of 1918 by absolute compulsion and seeks to universalise primary education in the whole of the presidency within ten years. When the whole scheme is completed, it will throw an additional burden upon the provincial exchequer of more than three quarters of a crore every year. Mr. Chintamani has introduced in the United Provinces excise reforms calculated to effect a very drastic reduction in the consumption of alcohol, etc. In the Bombay presidency Mr. C. V. Mehta has not yet been able to complete his inquiry into this question, but he has already introduced a reform which, if small in itself, initiates a new policy substituting direct for indirect checks on consumption. In Madras Ministers have adopted the policy of giving judicious State aid to new or nascent industries and have put in hand several other measures of no small benefit to the province. Reform of old universities and the establishment of new ones are taken in hand in several provinces. These and other measures of the kind are the first fruits of the popular control over transferred departments, for which we the Constitutionals need not blush.

It is not meant that diarchy has been a pitfall to the feet or a fetter to the limbs of Ministers. But it has serious defects, as has been pointed out. It has served its purpose as a test and as a preparation. It is now a clog and an irritation. The demand for its removal comes from many sides. The satisfaction of the demand will go far to allay public discontent and ease the tension between the Government and the people. The Legislative Assembly has lent its countenance to the acceleration of the march of India's constitution. No risks need be apprehended from the grant of full autonomy

to the provinces, except the loss of two Councillorships in the bigger, and one Councillorship in the smaller provinces to the Indian Civil Service.

If at our next election the matter is properly placed before the constituencies, there can be no doubt of their giving a mandate to their representatives to try and secure provincial autonomy as early as possible. A legal difficulty occurs to me. Supposing the question of provincial autonomy were raised by a private member in a legislature in 1924, and a resolution were moved asking that representatives be elected to an all-India Convention for the purpose, would the Governor be justified in disallowing the resolution? I am informed that the law would permit him to do so. At the same time the law would not stand in the way of his allowing the resolution either. So that it would be largely a question of how thoroughly the constituencies had been educated in the matter and what momentum the demand for provincial autonomy had gathered. If our non-co-operator friends would not indulge in the violent fun of breaking up of other people's meeting, but cheerfully help in the good work, the prospect would by no means be gloomy. Should any Governor, however, be obdurate, the elected members of the legislature could still obey their mandate by meeting at their own instance without fear of their proceedings losing moral authority in the eyes of reasonable people.

#### THE 10-YEAR LIMIT.

Speaking a few months ago to a meeting of Bombay Liberals, I expressed my opinion of the provision regarding the appointment of a statutory commission after ten years. The obvious interpretation is that while Parliament must appoint a commission at that time there is nothing to prevent a commission issuing before that period. During the Commons debate in 1919 Mr. Montagu explained the point clearly in these words: "If there is a remarkable and unforeseeable development in Indian conditions in the short space of ten years, it does not tie the hands of Parliament in any way whatever. There can always be a commission appointed in the interim." On another motion Mr. H. A. L. Fisher delivered himself of a similar opinion: "May I point out that there is nothing in the Bill which prevents revision taking place before ten years, but there must be a revision at the expiration of ten years? If it be true that great progress will be made, and if it becomes obvious that the transferred subjects are being handled wisely and effectively to the satisfaction of the Indian population by the Indian Ministers, then there is no obstacle to a revision at an earlier period than ten years." Let it be remembered that in the original proposals of Mr. Montagu and Lord Chelmsford it had been suggested that a fresh transfer of subjects should take place at the end of five years. It would be pedantic, it would be inexpedient, nay it would be a political blunder against which it is our duty to warn Government, to prolong the trying period of transition

unnecessarily, to allow the sense of grievance to deepen until it becomes a danger and to refuse to rectify an error which actual experience has exposed in the divided constitution of the provinces. I therefore commend a suggestion which our honoured leader Sir Sivaswamy Aiyar has made at the end of his article in *THE NINETEENTH CENTURY AND AFTER* in these words: "The least that should be done by the Government in the present circumstances is to send out a small but strong committee of statesmen and constitutional lawyers to ascertain on the spot how the system of diarchy has been working, what defects have been brought to light, and what remedies could be devised to promote smoothness and efficiency in working." Before, however, the present conservative government would take this step, they would have to be convinced that the constituencies in India desired it strongly and had expressed their desire in the usual way at election time.

#### REFORM AT THE CENTRE

This, however, is not the whole of our demand. At the last session this Federation of Liberals asked in addition that the Central Government should be brought under popular control in all matters except ecclesiastical, political and defence. Perhaps that resolution would be repeated at this session. When I presided earlier in the year at the meeting of Bombay Liberals, I ventured to express a feeling of hesitation with reference to this demand and indicated my grounds for the hesitation. But I promised at the same time that in a matter of that kind, where the difference was not one of aim or principle but of temporary expediency, I should consider myself bound by the superior wisdom of the party. Sir Sivaswamy Aiyar, a safe man, if there is one in our ranks, has pleaded cogently for popularisation of the Central Government in the article from which I have already quoted. An argument that appeals to me is contained in the following sentences. "The Central Legislature has enormous voting power, but absolutely no responsibility. But for the fact that the Government has displayed the greatest possible tact and the members of the Legislature great self-restraint, and that both sides have been anxious to make the Reforms a success, there would have been a deadlock several times during the course of the last year and a half. It is impossible for the Government to adopt any bold policy in any matter, legislative, administrative or financial, for the reason that they cannot be certain beforehand of the amount of support that they are likely to receive in the Assembly. The divorce of power and responsibility, which was regarded as the greatest defect of the Minto-Morley scheme, is perpetuated in a magnified form in the Central Legislature at the present moment." I have likewise endeavoured to ascertain the views of as many men of our party as possible and I find that, although some share my hesitation, opinion preponderates heavily on the other side. Let me therefore fall in publicly with the majority view. After all, when the provinces have attained to autonomy and assumed respon-

sibility for peace and order, the Central Government cannot long lag behind. Its responsibility to the constituencies must arrive inevitably, and the sooner the better.

While agitation for these important advances is in progress, each day will bring its own problems. I see members of the Assembly are bringing up a motion for the abolition of the distinction between votable and non-votable items of expenditure. The non-votable items far exceed the limits which are compatible even with a first instalment of the power of the purse. What is almost a humiliation to the Government and Legislature alike is that the salaries and pensions of persons appointed by the Secretary of State in Council and of Chief Commissioners and Judicial Commissioners should be excluded from the scope of the Assembly's vote or discussion. The correct principle is for the Imperial Government to guarantee the salaries and pensions only of those officers who are appointed by the Crown. It is little short of a slight to treat as sacrosanct enormous sums taken from the taxpayer and payable to junior officers reaching down in some cases to below Rs. 500 a month. We know that, when responsible government was given to other communities, due provision was made for British services. But then this demand is not that the Government of India should be made absolutely responsible, and the Governor General in Council has overriding powers for exceptional cases. Serious objection would likewise be taken to all owing to military expenditure to be voted by the Assembly. We admit that expenditure depends on policy and on military policy it would be premature for the Assembly to attempt to lay down or regulate. But the difficulty is all the creation of the executive. If they had used their irresponsible power with moderation and kept the military budget within the limits of reason, the revolt against budget exclusions would not be so strong. But as it is, a desperate situation can only be met by a desperate remedy, and as the Assembly consists of human beings and not of angels, the Government might find that they had presumed too far on what was once euphemistically described as the Indian's faculty of unlimited acquiescence.

#### FORMATION OF PARTIES.

There is also much in the working of our constitution which cannot give cause for satisfaction. In no case has responsibility been brought home to a Minister. When a Minister was recently defeated in a certain province over an important Bill on a transferred subject, he neither resigned nor was called upon to resign. The country would perhaps have welcomed a proof that the Legislature not only has the power of dismissal in law but can actually exercise it on adequate occasion. It is with profound grief that one records the impression that in the Punjab and Madras the majority has shown that it cannot be trusted to treat the minority with fairness and equity. The evil in the southern province is bound to be felt for a time yet. May I from this place appeal to my friends, Dewan Bahadur Kesava Pillay and C. Ramlinga Reddy, to use their un-



doubted influence so that the bitterness may be assuaged and the younger generation grow up in an atmosphere of less strife and contention? One may venture to think that there is no need any more for non-Brahmin leaders to spread the unloving gospel, "Do not vote for the Brahmin, never trust the Brahmin." No clear definition of parties has yet been evolved, except in the Assembly, and there for a wonder the democratic party glories in having no leader. No leader, no discipline—is an axiom in political organization. In the country at large people are mostly under the spell of that pious doctrine of inexperience, unity. A vague hankering after a reconciliation of all parties and the honours of a universal peace-maker is the dominant characteristic of a considerable number of men in public life, of attractive personality and decided talent, but unwilling to recognize that Indian politics have come into a phase of reality in which unity is not only impossible, but a sure sign of inefficacy. The apparent advantage of being free to embrace what is for the time being convenient stands in the way of most people labelling themselves Moderates or Extremists, Liberals or Non-co-operators. As soon as the votes are polled and the names of the successful candidates announced, it ought to be possible, as in other countries, to calculate the exact distribution of parties in the legislatures. Not knowing how many their followers are, Ministers, supposed to represent the non-official part of the legislature are compelled to look upon the official nominated element as the nucleus of their voting strength, hoping by individual negotiation to beat up a few more recruits on each occasion—a most distressing situation for those who are expected to build up the strength of the popular party. How dare we talk of full Parliamentary institutions so long as nine out of every ten politicians will refuse to take a name, be classified or acknowledged a leader? As to the education of electorates to which our venerated leader, Sir Dinshaw Wacha, drew our attention last May, nothing much seems to be doing. Even if special popular lectures on civics should prove impracticable, and there is no reason why they should do so, the practice might at least be started of members going down to their constituencies after the rising of Parliament and speaking to them on what has been done or may be done. Our new constituencies cannot be expected to compel the attendance of their representatives for some time yet; the representatives should regard it as their duty to keep them fully informed as to the state of public affairs and legislation. The lesson will soon have to be learnt that nothing of more than ordinary consequence could be done in Parliament without the wish of the electorates on the subject having been specifically ascertained. Besides being illiterate, ignorant and desirous to be let alone, the ordinary elector is liable to be gulled by the demagogue and persuaded to vote for the person who makes the most intemperate speeches and the most extravagant promises. The education of the electorates even in advanced countries is a never-ending process. When I was last in London during the season of the recent General

Election, I heard no remark so often as this—that a large number of men and women had come into the registers for the first time, that they had no experience, and no calculation could be made as to how they would vote. Candidates, whether successful or not, and when successful more than otherwise, must remember that this is more their duty than that of others. The situation is devoid of hope so long as the bulk of our legislators grudge the few weeks at a time they give to public business and, as soon as Parliament rises, do not think of going to their electorates and rendering an account of their doings, but run back to their business, briefs or lands.

#### ORGANISATION OF OUR PARTY.

I will now ask your leave to say one or two words about our party. It would perhaps be best to clear the ground of two criticisms. We have from the very nature of the case to answer charges from two opposite ends. Our extremist countrymen complain that we have merged ourselves in the bureaucracy and must be held responsible for their blunders, high-handedness and repression. Our answer must be firm and frank. So long as they will proclaim war on the established government, talk openly of revolution, inculcate disloyalty and rash political action and send about the country a committee of men of influence with the express object of finding out the prospects of a campaign of civil disobedience, we must sternly disapprove and stoutly oppose. So long as they preach the gospel of despair, they command neither our assent nor even our sympathy. So long as they boycott the present constitution, pooh-pooh the reforms and talk of wrecking the Councils, there is no common ground between us and we can have nothing to do with them. Officials and organs of official opinion deplore our lack of organisation and vigorous propaganda. We must admit the truth of this charge, though we are not without excuse. But when they attack us for indecision of thought, fear of unpopularity and a tendency to take up the most violent and passionate cries of the extremists and echo them feebly, thus affording no constant support to Government, we must repudiate the charges as unfounded. Our business is to promote our country's welfare, to enlarge her political status through the present constitution, to secure her ordered progress and compatibly with these aims, but not otherwise, to support Government. When government officials go beyond the necessities of the case and become indiscriminate in repressive measures, threatening to stifle the very spirit of agitation, we will not hesitate to condemn their action. When the Secretary of State abuses his irresponsible power in disregard of the Indian taxpayer, we cannot but protest. When we are faced with a prospect of stagnation while there is so much to do every day in the direction of preparing the Indian people for self-government, we must give solemn warning. We are prepared to let our leaders accept office and help the officials when they carry out our policy and our aim. We will oppose and thwart them when they neglect or defy our

wishes. It is amazing how they expect us to stand by them when they do us harm as well as when they do us good, in their excessive military expenditure, in their high-handedness, in their hesitation to afford Indian talent every possible opening for employment in the highest and most delicate spheres of work, seeing that in no long time Indians must be prepared for self-government. Our British brethren must understand this clearly. Every day we shall ask, what has been done to-day towards the advent of Swaraj? Of every officer we shall inquire, does he realize that he is here to fit our people for self-rule? Of every rupee of expenditure we shall require to be satisfied that it was unavoidable and in the interests of India. We believe in the ideals of the Britannic Commonwealth, we cherish our connection with it, trusting that our equal partnership therein, which has been admitted in theory, will soon be translated into fact in all essentials. We believe in the efficacy of peaceful and constitutional methods, and in the pursuit of our high aims we are upheld by the consciousness that they have been admitted as proper and legitimate by the highest authority. And as our motto is ORDERED PROGRESS, we do not despise compromise in public affairs, provided it is honourable, advances the present position and does not bar further progress.

The first requisite of a party organization is the maintenance of a list of members who are prepared to own themselves as belonging to the Liberal Federation, to subscribe to its principles and to pay a certain prescribed fee periodically. The second requisite is to appoint a leader for all India and for each province every year, who will be entitled during his period of office to speak for the party, to treat with Government on behalf of his party, to call meetings of the Executive when necessary for the purpose of determining policy or action, to bring up matters of discipline when they are of more than ordinary importance, and to be consulted before individuals in the party or groups make serious pronouncements or about definite action on important occasions. It would be well to adopt the term leader, for it would carry the right to lead and therefore signify real business. 'President,' on the other hand, suggests mere dignity and may go to the man of wealth or social standing and is no good for our present purpose. He should be placed in funds so as to command secretariat facilities. The third requisite would be a general fund, both for propaganda and electioneering purposes. This, however, would be very slow in growing and we need not be discouraged by it.

# Proceedings & Resolutions

NAGPUR—28TH DECEMBER 1922

The National Liberal Federation reassembled on the 28th December under the presidentship of the Rt. hon. Srinivas Sastry. The first resolution of the day which was put from the chair was as follows:—

## Condolence

"This meeting of the All-India Liberals mourns the death during the last year of Dewan Bahadur O. Karunakara Menon, Sir Blohendra Krishna, Sir Vithaldas Damodar Thakerasay, Rao Bahadur G. K. Sathe, Mr. K. E. Gurusami Iyer, Dr. P. D. Gune, Khan Bahadur H. M. Malak, Dr. Manohar Lal and Babu Motilal Ghose, each in his way a worthy son of India and a devoted worker in her cause."

Before putting the resolution to vote the chairman obtained leave of the subjects committee to add to the names in the resolution that of the late Mr. K. R. Gurusami Iyer.

Mr. Gavai, M. L. C. (Nagpur), moved that the name of the late Maharajah of Kolhapur also be added. It was pointed out to him that he had been elected to the subjects committee where he had every opportunity of bringing forward his motion while the condolence resolution was being discussed, and he had failed to avail himself of it. Eventually Mr. Gavai agreed to bring forward his motion at a subsequent meeting of the subjects committee. The resolution was carried unanimously, the whole assembly standing in silence.

## Mr. Montagu's Services.

The next resolution was moved by the hon. Dr. R. P. Paranjpye (Bombay) and ran as follows:—

"This meeting of the All-India Liberals records its profound grief at the defeat of the Rt. hon. E. S. Montagu at the last general election which deprives India of his services invaluable even when in opposition. Mr. Montagu by recognising the right of India to full Dominion status and getting it admitted by the highest authorities saved India at a critical time to the commonwealth of Britain and has thus established a name second to none among the benefactors of India and the champions of subject nations.

"The Conference trusts further that a future is in store for him worthy of his great services to India and the commonwealth. This meeting authorises the president to communicate the resolution to Mr. Montagu."

In moving the resolution Dr. Paranjpye traced the career of Mr. Montagu from his college days when the speaker had an occasion to come in contact with him at Cambridge and referred in glowing terms to Mr. Montagu's services as Under-Secretary of State, in which capacity he made the recognition of India's right to the full Dominion status a **FAIT ACCOMPLI**. If he had made his appearance on

the scene two years earlier than he did and had introduced the Reforms many of the present conditions in India would not have arisen. Turning to the Turkish question Dr. Paranjpye declared that if only Mr. Montagu had his way eight months ago it would not have been brought to such an acute stage as it had now been. In conclusion the speaker regretted that India stood disgraced by the way it had failed to give Mr. Montagu public support to keep their national self-respect. They should not give up their friends when they were down.

The resolution was supported by Mr. R. G. Pradhan of Nasik who testified to Mr. Montagu's desire to understand the soul of India and to do all in his power in the cause of India against formidable opposition from within the Cabinet and without.

Rao Saheb R. V. Mahajani, M. L. C., of Akola supported the resolution in a Marathi speech.

The president in putting the resolution to vote associated himself with all that had been said in eulogy of Mr. Montagu's services to India and the resolution was carried unanimously.

#### Resolution on Self-Government.

Mr. N. M. Samarth, M. L. A. (Bombay), moved the resolution on self-government which said :—

"This meeting of All-India Liberals earnestly urges upon the Secretary of State for India and the British Parliament the necessity of accelerating the pace for the attainment of complete self-government and towards that end the taking of steps for the immediate introduction of (1) full responsible government in the provinces and (2) responsibility in the central Government in all departments except the Military, Political and Foreign "

In moving the resolution Mr. Samarth said that in the course of the working of the Reforms during the first two years there have been a crop of difficulties, disabilities and disadvantages and statesmanship lay in taking immediate steps to remove them in the provinces where the dyarchy was being worked. The divided cabinet responsibility could not last long. There should be collective cabinet as well as financial responsibility, though it did not mean doing away with the members of the civil service. They might have civil servants as executive Councillors in the Central Government but their salaries should be placed on the estimates. As regards the grant of a further instalment of Reforms there was nothing to prevent a commission from coming to India before the stipulated 10 years and enquiring into the working of the Reforms.

Sir Bipin Krishna Rose in supporting the resolution after urging that the past two years' experience had been enough to convince those who guided India's destinies that Indians could be entrusted with more powers, referred to the non-co-operation movement and uttered a warning to the Government that they could repress a few hundreds or a few thousands, but they could not repress 300 millions of people. They would have to apply more permanent and abiding remedies in the shape of constitutional reforms.

Pandit Gokaran Nath Misra M. L. C. Lucknow, speaking in Hindi in support of the resolution declared that the time had come when complete responsibility should be introduced in the provinces and partial responsibility in the Central Government and exhorted the Liberals to go forward among the electorates and make this demand an election cry. The resolution was carried by a large majority, only six dissenting.

#### Indianization of Army

The last resolution on the agenda was moved by Mr. B. S. Kamat, M.L.A. (Poona), and read :—

'This meeting of All-India Liberals records with the gravest concern the delay in the inauguration of the plans for the Indianization of the higher ranks in the Indian Army, for the reduction of the British element and for the introduction of other improvements and economies recommended by the Military Requirements Committee of the Indian Legislative Assembly, regards it as a crucial test of the sincerity of the authorities regarding India's Dominion status, sees no way, except through drastic retrenchment under this head, of the country's regaining financial final equilibrium and calls upon the British Cabinet and the Army Council to restore by speedy action the confidence of the people of India in the often repeated promises to grant full responsible Government to India.

'This federation also earnestly appeals to the people of India to take in the meanwhile the fullest advantage of the Indian Territorial Force Act and to enlist themselves in large numbers in the Territorial Force. It also appeals to the Govt. to take all possible steps to promote and popularize enrolment in the Force.'

In a brief speech Mr. Kamat quoted figures to show the disproportionate strength of Indians in the Army and the expenditure on the British and the Indian soldier which stood in the ratio of five to one. He urged that the military policy of India should not be dictated by the War Office, and the Commander-in-Chief and the Government of India should be masters of themselves. He also complained that the terms offered in connection with the recruitment of Indians to the Territorial Force were not satisfactory. Referring to the Military Requirements Committee's report Mr. Kamat emphasised that the Government of India had taken a very long time in cogitating over the report and it was the duty of the Liberals to call upon them to publish it and take steps to carry out the recommendations of the committee.

Mr. A. P. Sen of Lucknow and Rao Bahadur Bambawale (Nagpur) also supported the resolution, which was put to vote and unanimously carried. The Federation then adjourned the next day.

#### NAGPUR—29TH DECEMBER 1922

The National Liberal Federation reassembled on the 29th December. The proceedings began by the President putting the following three resolutions from the chair which were carried :—

'This meeting of the All-India Liberals earnestly trusts that the Income Committee and various provincial retrenchment committees will recommend material reductions of expenditure and enable the Government of India to

various local Governments to restore their financial equilibrium and thus avert the need for additional taxation.

'This Federation is of opinion that the Indian States' Protection against Disaffection Act passed by the Council of State on the Governor-General's power of certification is not in the interests of British India or the subjects of the Indian States and therefore Parliament should advise his Majesty to withhold his assent.

'While fully recognising the need for rapid political advance, this Federation emphasises the great necessity for pushing on the progress of the masses in all directions, educational, social and economic, and for this purpose urges on the Government as also on the people the great desirability of adding to the institutions that aim at the advancement of the masses all along the lines'

#### Removal of Untouchability.

Mr. A. V. Thakkar of the Servants of India Society moved the following resolution :—

'This meeting of the Federation is of opinion that untouchability is a great blot on the Hindu community and that therefore it is necessary to remove all disabilities to which the untouchability classes are subjected.'

In moving the Resolution Mr. Thakkar referred to a recent motion of the Bombay corporation removing the ban on sweepers travelling by tram cars and hoped similar disabilities prevailing in other places and other directions would be removed without undue delay. The resolution was supported by Mr. Bhatkar and passed unanimously.

#### Imperial Services.

The next resolution on the Imperial Services was moved by Mr. Hridayanath Kunzru, M. L. C. (Allahabad), and read :—

'This meeting of the All-India Liberal Federation strongly opposes the proposal to appoint a commission to inquire into the alleged financial and other grievances of the Imperial services and to make further increases in their pay and allowances.

"In order to enable the Government of India and the local Governments to reduce expenditure on the overseas charges of administration and the reserved subjects this Federation urges on the Secretary of State for India the necessity of authorising the Indian legislature and the local legislatures to make laws regulating the public services under clause (2) section 96 B of the Government of India Act and in the meantime stop all recruitment in England to all the Imperial Services.'

Mr. Kunzru in moving the resolution said that speaking for himself he would urge for a change in the statute book transferring all powers now vested in the Secretary of State to the Government of India and the local Governments in connection with recruitment for the public services, but for the present he would be satisfied with the former authorising the latter to make laws regulating the recruitment, thus enabling them to adjust themselves to the financial difficulties at present facing them. He emphasised that by asking for a temporary stoppage in all recruitments they did not aim at preventing Britishers from entering Indian public services. He declared that if the recruitment went on as now, it would be nearly three generations before all the services would be recruited in India.

Rao Bahadur Kale, M.L.C., seconding the resolution said that unless the demand embodied in it were connected all the retrenchment committees now sitting in the different provinces could not touch what were 'untouchable' services.

The resolution was supported by Mr. Jayawant of Nagpur, Professor Sapre (Poona) and Mr. Dixit (Nagpur) and carried unanimously.

#### Secretary of State's Interference

Mr. N. M. Joshi M. L. A. (Bombay), next moved :—

'This meeting of the All-India Liberals attaches the utmost importance to the principle laid down with emphasis by the Joint Select Committee of the Parliament on the Government of India Bill of 1919 to the effect that where an executive Government in India and its legislature are in agreement on any matter, there should be no interference by the higher authority except when Imperial interests are involved. It regards it as an essential condition for the growth of the Indian constitution and preparation of the Legislatures for the ultimate responsibility of the whole Government and it trusts further that besides loyally observing the principle the Secretary of State will give it full scope by releasing the Governments in India from the obligations to consult him previously in such matters both by a liberal interpretation of the rules and regulations on the subject and modifying these wherever necessary.'

Mr. Joshi moved the resolution in a Marathi speech which was seconded by professor Jog of Poona and carried unanimously.

#### Indians Overseas.

Mr. G. A. Natesan (Madras) then moved the resolution on the Indians overseas which ran :—

'This meeting wishes to convey to the Imperial Cabinet of Great Britain its sense of concern at the undesirable effects produced on the minds of the people of India by the reports that are received here from time to time of the obstacles and difficulties in the way of application to the Crown Colony of Kenya of the principles embodied in the resolution of the Imperial Conference, 1921, and trusts that the Cabinet which had influential representatives at the conference including the then Prime Minister and the Colonial Secretary will be able at an early date to carry out those principles in the letter and in the spirit.

'This meeting condemns the anti-Indian policy pursued by the Government of the Union of South Africa and by the provinces comprised in the Union where the position of the Indians is steadily deteriorating, and while fully acknowledging that the Government of India fully identified themselves with Indians in their sentiments in this matter and in the interests of Indians overseas generally, urges the Government to bring pressure to bear on the Union Government to accept the policy enunciated in the resolution of the Imperial Conference, 1921.'

Mr. Natesan in moving the resolution said that he had reason to believe that the question of Indians in Kenya colony would be solved satisfactorily in the near future. As regards South Africa Mr. Natesan warned the British Government that unless the question of Indians' status was satisfactorily solved the consequences would be serious. Pandit Gokarannath Misra supporting the resolution in a Hindi speech also referred to the Government of India's



sympathetic attitude and urged the British Government to give effect to the desire of Indians conveyed in the resolution.

The Federation then passed a resolution thanking the President for his services to the country in the Dominions and at the Federation.

Two more resolutions were passed, one electing the All-India Council for the year 1923 and another appointing a working committee with Mr. Sastri as president for spreading the doctrine of the Liberals in the country. Mr. N. M. Joshi and Mr. G. K. Deodhar were appointed secretaries for the ensuing year.

The next session of the Federation was invited to Poona.

### President's Concluding Speech

The President in dissolving the session spoke at considerable length and uttered words of frank counsel to the party. They had to face great difficulties in the path of carrying out their work, but those difficulties instead of disheartening them should enable them to grapple with them with redoubled vigour and greatly increased courage. They could not achieve their aim by sending deputations to England or by passing strongly-worded resolutions. They could not obtain their rights by merely enlisting the support and sympathy of their English friends, but they would have to fight for them and defend them and be prepared to make enormous sacrifices, just as the English were fighting for the maintenance of what they considered their rights and privileges. After describing the Liberals' ideal of self government he went on to say that he was one of those who believed that the people of India were certainly qualified to be entrusted with full self-government but there was one such thing as training or the period of probation. Some of them rebelled at the idea, but he would ask them supposing they had during the last two years full self-government, would they have met adequately, calmly, patiently, generously and wisely the difficulties that beset Government during those two years. His own answer to that would be not by any means a confident 'yes' and perhaps a 'no'. The reason was that during the time of those difficulties even the best among them did not consider the difficulties as theirs. They all stood on the side of law and order but did any one of the Liberal Party evidence a sufficient sense of the public danger that confronted them.

Turning to the non-co-operation movement he said though they thought it was gone, yet its spirit was there. Already it was trying in Gaya to teach thousands of their countrymen that non-co-operation was the best method. Concluding he emphasised at great length the necessity of educating the electorates and telling them what they would do for them. If the non-co-operators dropped their doctrines and desired to enter the Councils he would be the first to welcome them, but he urged the electors to refuse to be represented by men who told them that they were entering the Councils for the purpose of wrecking them.

The Federation then dissolved with three cheers to the President.

# NINTH SESSION OF THE All India Khilafat Conference

*GAYA—27TH DECEMBER 1922*

## Presidential Address

The following is a summary of the speech which Dr. M.A. Ansari delivered as president of the 9th session of the All-India Khilafat Conference held at Gaya on the 27 December 1922.

Dr. Ansari said the response of the people to the Khilafat movement since its inauguration was satisfactory and the movement had now become a patent factor to be reckoned with in the settlement of the world problems concerning Islam. The attitude of Government of India and the British public towards the Khilafat question had only recently changed in favour of the Turks, but he regretted to find that the British Cabinet was still unfriendly as was proved by the retention of Lord Curzon as Foreign Secretary, and that Mr. Bonar Law had not explained the Near Eastern policy and had not pledged restoration of Palestine and Mesopotamia despite favourable British opinion regarding it. He invited the audience to compare the change in the mentality of the British Foreign Office towards the Turks from pride and prejudice to simulation and cajolery brought about by the growing power of the Kemalists. Yusuf's mission of peace on the occasion of the sitting of the Paris Conference had failed. Angora's request for joining the Genoa Conference was summarily rejected and Fathi Bey's mission to London to make the best attempt to secure peace by peaceful means safe-guarding the rights of the minorities met with scant courtesy at the hands of the British Government which compared unfavourably with the enthusiasm and good-will of M. Poincare. He felt gratified that the fiery statement issued by the British Government sending a fiery cross round the Dominions and Balkans met with the strong disapproval of the British public and that Mr. Lloyd George's dismissal from office was the only possible answer which a war-weary nation could give to the ex-premier's sabre-rattling. He contrasted the attitude of Great Britain with that of France and Italy and declared that Britain owed the fall of its prestige to the mistakes of its own Government.

## THE MUDANIA INTRIGUE

He then dwelt with what he termed the intrigues at the Mudania Conference to deprive Kemalists of the just fruits of their great victory and the filibustering attitude of General Harrington which failed to frighten the Turks. He praised the spirit of patience and

fair-mindedness shown by Turks in accepting Armistice terms inspite of their being victors and in the face of grave provocations. He termed as lie the propaganda attributing atrocities to Turks, especially the burning of Smyrna, and quoted official statements of the American Relief Committee and the result of enquiry by French officials in Smyrna and Constantinople to prove that the charge lay rather on the door of the Greeks and Armenians.

#### LAUSANNE CONFERENCE

Referring to the Lausanne Conference the speaker greatly deplored the inability of M. Franklin Bouillon to represent France owing to continued violent and evidently inspired campaign in the English press against him and his policy. Lord Curzon with his well-known anti-Turkish tendencies was dominating the Allies and therefore it would be too much to expect the Conference to be swayed only by considerations of reason and justice. Muslim demands, the speaker observed, were too well-known to require any repetition. He however, uttered a warning that Musulmans would not rest unless in addition to a satisfactory settlement of the Turkish question the entire Jaziratal Arab was completely free from non-Muslim control and the Khalifa's wardenship of Holy Places was restored.

#### THE EX-SULTAN

Dealing with the fight of the ex-Sultan Khalifa, Dr. Ansari described how Wahiuddin Effendi had been sacrificing since the armistice the interest of his country and religion on sheer selfishness. He had coerced his Ministers into signing the iniquitous Treaty of Sevres and would have complacently confirmed the doom of his country and religion had not the Nationalists fled and established themselves in Angora, thereby placing the ratification of the treaty out of his reach. He had done all this for self-interest at the instance of the Allies, for he had been too weak to oppose them. Even then the Kemalists had no intention of deposing him and had to do so only when he attempted to weaken the Turkish cause at Lausanne by deciding to send another delegation from Constantinople. For his misfortunes he had to thank himself and, so far as the Mussalmans of the world were concerned, his objectionable deeds were an open book to them and they did not feel sorry for him at all. The Ex-Shaikhul Islam who had declared Mustafa Kemal the saviour of Islam and Turkey as a renegade and in conjunction with whom the Ex-Sultan would have had Mustafa Kemal punished with the help of the so-called Khilafat army, had also taken refuge with others in the hospitable British embassy and then in Malta. These peoples, said the speaker, would be utilized by interested propagandists to alienate Muslim sympathies from the Kemalists, but they all know too well about the bona-fides of these persons and their sponsors or be deceived by them.

## TEMPORAL POWER QUESTION

Speaking about the accession of Sultan Abdul Majid Khan and the Sultan Khalifa, the speaker observed with satisfaction that the old practice choosing the Sultan Khalifa only on account of his intrinsic merits was restored. Referring to capital that had been ingeniously sought to be made out of the new Angora constitution by representing it as having separated the Sultanate from Khilafat, Dr. Ansari remarked at the outset that the news had been sent from quarters intensely interested in discrediting Kemalists. Many sensational untruths inspired from these quarters had been inflicted on them but little reliance could be put in their version of the constitution which, it was significant, had always only vague and never sent out in full. Obedience to religious injunctions by the Kemalists, as shewn by their prohibition laws etc., was a guarantee that they would not go against the religious commandments. News coming from uninterested quarters, however vague, showed that the Angora constitution aimed only at making the Sultan a constitutional monarch. Although the full details of the constitution were not in their possession, yet the speaker had no doubt in his own mind that constitutional sovereignty was nearer the fact than vaticanisation of the Khalifa as given out by interested sources. The law of Islam also sanctioned the relegation of authority to Ministers by the Sultan Khalifa and a constitutional monarch was therefore strictly in accordance with the Shariat. Lord Curzon, on supposition that the constitution militated against Islamic laws, had tauntingly asked the Mussalmans what they would do. The Mussalmans believed the Kemalists completely loyal to religion, and they did not treat this kind of propaganda against the Kemalists seriously, but the speaker assured Lord Curzon on behalf of the Indian Mussalmans, that if ever such a thing as separating the Sultanate from the Khilafat happened the Mussalmans would remember their duty without a clue from him. If Turks made a mistake the Mussalmans would do all to get it rectified but not with his lordships aid. His anti-Turkish attempts at creating a division was foredoomed to failure, because the common misfortune had brought about a wonderful solidarity among Muslims all over the world. There was not a Muslim country or colony that had not shewn its active sympathy for the Turks in one way or the other, and not been heartily pleased at the great success of the Kemalists. The universal rejoicings all the world over at the Kemalists victories should act. Dr. Ansari advised as a sufficient object lesson to those who fondly dream of division.

## CONGRESS PROGRAMME

Discussing future programme of work, Dr. Ansari urged pushing forward the constructive programme not as an end in itself but as a sure step for preparing the country to win the triple goal. He appealed to the Mussalmans to concentrate their efforts in raising ten lakhs of rupees for the Khilafat fund, ten lakhs of Khilafat members, and enlisting one lakh of volunteers within the next four months.

Dealing with national education he dwelt on the foremost position of the national Muslim University of Aligarh as a seat of future Muslim culture, in free and united India. In course of two brief years though neglected to a large extent and working against tremendous odds it had already shown a record of work which any institution might justly be proud of. One need of the university was to secure immediate financial stability and he appealed for ten lakhs for the national Muslim University. He also suggested at least Rs. 20 per month to be given to the national Muslim University by every District Khilafat Committee, or a sum by every Provincial Khilafat Committee, corresponding to the number of districts in each province. Dr. Ansari recommended that in the interest of the Swadeshi movement picketting of foreign cloth shops should be started in at least all big centres.

Coming to the question of councils, the speaker emphasised the futility of contesting seats. He advocated an alternative scheme of setting up parallel polling booths during council elections, where voters sympathising with the Congress should be invited to record their votes. He described how this scheme would prove more advantageous, less costly yet more effective in boycotting the councils.

#### INDIAN NATIONAL PACT

Emphasising absolute necessity of Hindu-Muslim unity the speaker declared his conviction that the formation of a homogenous and United Indian nation on the founding of such unity was the essential pre-requisite for attaining Swarajya, and more than that for retaining it. He believed that real and lasting unity was impossible unless Hindus and Mussalmans decided to adjust their differences in a spirit, liberal and yet absolutely frank and in a just manner. To achieve that consummation he suggested drawing up of an Indian National pact.

It should define Swarajya and have provisions made for safeguarding the rights of different communities especially of the minorities fixing up proportion of representation, of the various communities, the small minorities to get representations in excess of their populations—these to be given from Hindu and Muslim numbers. It should secure perfect freedom in religious observances of various communities and sects inhabiting India and complete respect for their religious observances and susceptibilities. It should also provide for settlement of questions leading to differences and conflicts, e.g., cow killing, Daserah, Moharam and other processions, music before mosques, and shrines etc., under the terms of the pact. Arbitration boards should be appointed in each province and district for preventing communal frictions, and arbitration in cases of disputes proposed by the pact should be ratified by bodies representing the peoples, communities and sects of India (e.g. the Indian National Congress, Hindu Maha Sabha, Central Khilafat Committee and Jamaitul Ulema etc) together with a solemn declaration from these bodies in case of an invasion for the conquest of India by a foreign power.

All the communities and sects inhabiting India would unite to resist such an invasion of the sacred soil of their motherland.

#### PAN-ASIATIC MOVEMENT.

Dr. Ansari next referred to the need of a pan-Asiatic movement to bring about the solidarity among the peoples and countries of Asia with a view to rescuing them from the political and economic bondage of Europe. He suggested that missions should be sent on behalf of India to establish friendly relation with peoples of different Asiatic countries and mission elected by the representative institutions of the people (not necessarily governments of these countries) should be invited to send their own missions to India for the same purpose. The agencies representing the peoples of India should be established in those countries which in their turn should have agencies representing their nations in India and other countries. The plenary session of the Asiatic Federation might be held at a suitable place, preferably in India, at the time of the annual sessions of the Indian National Congress. He then detailed the advantages that would accrue from this Asiatic Federation to India and the different communities comprising the Indian nation and appealed to the country to give a lead in the matter. In conclusion he appealed to the Mussalman and the other peoples of India for the speedy completion of the Angora Aeroplane fund.

[Here the President had to conclude his address as it was about 1 p. m. when the National Congress was to resume its sitting adjourned the day before.]

# NINTH SESSION OF THE All-India Khilafat Conference

**GAYA—27TH DECEMBER 1932**

The All-India Khilafat Conference opened its ninth session at 9 A. M. on 27 Dec. in the Congress pandal under the presidency of Dr. M. A. Ansari of Delhi. Unusual interest was evinced at the proceedings of the Khilafat Conference and its decision regarding entry into Councils. The lead given by Dr. Ansari was pronouncedly against Council entry and the Chairman of the Reception Committee, Mr. Dip Narain Singh, did not express any view on the question. The attendance was large and on the dais were seated many well-known Hindu and Muslim leaders of the Congress. The proceedings began as usual with recitations from the Koran.

## CHAIRMAN'S SPEECH

Mr. Dip Narain Singh next delivered a short speech welcoming the delegates to the Conference. He said that Bihar though materially poor was enormously rich in its spiritual store and ancient associations. Bihar had moreover one great lesson to impart to the whole of India. Hindu-Muslim unity had remained unshaken there and its proof could be found in the fact of his (a Hindu's) unanimous election to the Chairmanship of the Reception Committee of the Khilafat Conference. He hoped neither Mohamedans nor Hindus would lend their ear to the forces at work to divide them. He felt sure Muslims would declare that even if the Khilafat question was solved they would continue their efforts as vigorously as before in the attainment of Swarajya (cries of Yes, Yes) and that the Hindus would stand by Khilafat even if Swarajya was achieved (Renewed cries of Yes). He pointed out that if the Khilafat was safe it was due solely to Kemal's arms (applause), and therefore they should not give any credence to other propagandist reports regarding the separation of the temporal and spiritual powers of the Khalifa. They should not express any opinion on it even on conditional basis till they were in possession of the text of the Angora constitution containing the alleged innovation.

The speaker did not commit himself to any view regarding the Councils. He observed that whatever the decision on that question, their ranks should not be divided. Advantages of their unity were far above those to be gained by the adoption of either view on the question of Councils, if it led to disunion. He went further, and urged unity not only between the different communities of India, but also among all Asiatic nations.

Dr. M. A. Ansari next delivered his Presidential address.

**2ND DAY—28TH DECEMBER 1922.**

When the Khilafat Conference resumed its sitting next day Dr. Ansari (President) again addressed the delegates to complete his observations part of which he could not finish the day before. Speaking about Lausanne Conference Dr. Ansari objected to the Straits being handed over to the League of Nations as the League was only a garb for Great Britain which dominated it to take possession of the high waterways.

The Kemalst victories, he said, meant a great deal for Eastern nations. It was within the bounds of possibility that in her struggle for freedom India may be helped by the Turks. The Khilafat movement had created between India and other Muslim States in the Near and Middle East a bond of friendship and brotherhood which would benefit India.

**The Resolutions.**

After finishing his address Dr. Ansari put four resolutions from the Chair which were passed without discussion.

**1. THE NEW SULTAN.**

The first of these, which was passed by all standing amidst cries of 'Alla-ho-Akbar,' recognised Sultan Abdul Majid as the Khalifa of Islam, expressed allegiance to him and congratulated the world of Islam, particularly the Turks, on the right of election. This resolution also expressed pleasure at the restoration of the old practice of the election of Khalifa which was more in accordance with the Shariat, congratulated the Angora Assembly on the re-introduction of this practice, appreciated the services of the Turks and expressed full confidence in the belief of the Turks in religious injunctions.

**2. MAHATMA GANDHI.**

Another resolution, which was also passed by all standing, expressed heart-felt grief at the absence of Mahatma Gandhi from their midst, thanked him for his great services in the cause of Khilafat and believed that Mohammedans would never forget that Mahatma Gandhi's imprisonment was due to articles relating to the question of Khilafat.

**3. THE AKALIS.**

The third proposition moved from the chair sympathised with the Akalis in their sufferings, congratulated them on their successes, and admired the spirit of non-violence shown by them.



## 4. MOULANA HASRAT MOHANI.

Appreciation of Moulana Hasrat Mohani's services in the cause of Khilafat and non-co-operation formed the subject of the fourth proposition put from the chair.

At this stage Seth Haji Sadiq came to the rostrum and read extracts from a letter which he stated Seth Chhotani had just then received from a friend in Switzerland. The extracts which was received with acclamation stated that one Ulema named Mufid Khwayan who belonged to the Angora deputation had stated that the Turks did not intend to separate the Khilafat from the Sultanate and that Ismat Pasha had told a representative of a Muslim State that the Khilafat would be what the world of Islam desired it to be.

## 5. LAUSANNE CONFERENCE.

Maulvi Abdul Majid next moved the fifth resolution which declared that Mussalmans would oppose all those terms of the allies at the Lausanne Conference which either impaired the power and prestige of the Khilafat or in any way interfered with his complete independence or did not safeguard the sanctity of holy places and did not free them from Non-Muslim influence or helped to place other Muslim States under non-Muslim control.

Maulvi Ali Azim Nadvi in seconding the motion said that the partition of Bengal, the Sinn Fein struggle in Ireland and the Kemalist successes all proved that the British people yielded only to violence. The Turks had won because of their sword. It was therefore only sword and strength which could in any thing force British hands (applause). The Turks, he explained, had used sword and won, and India was using other alternative, that of strength of non-co-operation and she was sure to win by help of this weapon. Mr. Shivraj Narain, who supported the resolution, urged that if need be they should be prepared to go to Angora to help the Turks (applause). The resolution was then put and adopted.

## 6. MUSTAFA KEMAL PASHA.

The last resolution was moved by Abdul Majid Badauni. This resolution called Mustapha Kemal Pasha by the title of Saiful Is'am and Majaid-i Khilafat and congratulated him on his unparalleled victories which enhanced not only the honour of Islam but also that of Asia and assured Kemal that so long as his demands were not fully met according to his wishes Mussa mans of India would continue to show him both heartfelt and practical sympathy.

Maulvi Abdul Majid speaking with great warmth reminded Muhammedans that the defence of Islam was as much the duty of Indian Muslims as that of Mustapha Kemal. They had disgraced themselves in the eyes of the world by fighting the Turks and in being instrumental in bringing the end of Islam. Kemal had not only given the rebirth to Islam but also the honour of Asia, It was only

now that after several centuries they realised their common brotherhood with the world of Islam outside. Seth Ahmed Haji seconded the resolution.

Maulana Fakir Allahabadi and Mr. Barucha of Bombay strongly supported the former, chastised the audience for voting on paper resolutions and doing little to put them into effect. For instance, in the resolution they pledged practical sympathy to the Kemalists. What had they done, he asked, so far to prove their practical sympathy? Had any one of them gone to Angora bodily to help the Turks? Even the Angora Aeroplane Fund had not yet completed. He urged the audience to prove their practical support by contributing to the fund. Mr. Barucha said the victory of the Kemalists was unparalleled because of its being a triumph of spirituality over materialism and because of the complete regeneration of dying Islam in so startlingly a short time. The resolution was passed unanimously.

The Khilafat Conference then adjourned at 1 P. M. to meet again next day.

### *3RD DAY—30TH DECEMBER 1922*

The Khilafat Conference met again on 30th December when Seth Ahamed Haji Sidiq, Secretary, Central Khilafat Committee, presented the annual report of the Committee for 1922. Details were given of funds collected for various purposes and their disposal. The report claimed real success for the Khilafat Committee, during the three years of its existence, both in the cause of Hindu Muslim Unity and in unifying the world of Islam and appealed for further help to continue its useful activities.

### **More Resolutions.**

Five resolutions were passed. The first of these viewed with satisfaction the proposal of the Angora National Assembly, as reported by Reuter, to summon a Conference representing the world of Islam to secure approval to the election of Sultan Abdul Majid as Khalifat and discuss other important questions and requested that the venue of the proposed Conference be fixed at a proper place, preferably Angora, and that the Central Khilafat Committee, Bombay, be informed regarding the number of representatives of the Conference and the date of its session.

The second resolution passed urged the boycott of British goods. It originally appeared of the agenda in the form passed by the Khilafat Subjects Committee, whereunder it was stated that the report of the Congress Committee on boycott be awaited, but as the Congress rejected that day the resolution for boycott of British goods the Khilafat Conference passed its resolution in an amended form appointing its own sub-committee to recommend a scheme to make the boycott a success.

Abortive attempts were made by certain speakers to amend the resolution so as to do away with the proposal for a sub-committee and straightaway resolve to boycott all British goods, but Mr. Sherwani pointed out the differences between passing a resolution and acting upon it. He hoped that the name of the Conference would not be discredited by the passing of the resolution in an impracticable form. A committee of experts, he said, was necessary to recommend means of making boycott effective.

The third resolution sympathised with the oppressed Mussalmans of Morocco in their struggle against Spain for freedom under the leadership of Abdul Karim.

The Conference passed another resolution appreciating the services of the "Bombay Chronicle," and its editor Mr. M. Pickthall in the cause of the Khilafat and appealing to Mohammedans to help the "Chronicle" in every possible way.

The last resolution proposed to establish an educational fund for financing the Aligarh National Muslim University with a view to help the spread of national education and also to strengthen the position of an institution which was the first to be brought into existence by the Non-co-operation movement and which was for Muslim education the biggest institution of the kind established in the course of the Non-co-operation programme.

### The Lausanne Impasse

On this day considerable ferment was created in Moslem circles on receipt of the news that the British Govt. had ordered warships to the Near East in view of the threatened breakdown of the Lausanne Conference owing to the intransigence of Lord Curzon in respect of Mosul and other terms proposed to Angora. Crowded meetings were held in the morning and heated speeches, in which Moslems in a body resolved to sacrifice everything for the Khilafat, were made.

Next day the Khilafat Conference at its final sitting defined its attitude regarding the Lausanne Conference. It warned the Government :—

### In the Event of War

'That in the event of war with Turkey due to the unjust attitude of the Allies, particularly Britain, the Muslims of India would immediately launch Civil Disobedience with a programme which would include spreading their propaganda among the Police and the Army, stoppage of fresh recruitment, refusal to subscribe to war loans, recruitment to the Angora legion, picketting of foreign cloth and liquor shops and preventing export of food grains.'

The Khilafat Working Committee was authorised to change or add to the programme.

Numerous speeches were delivered with great religious fervour and all proclaimed that the Musalmans of India would not hesitate to lay down their lives in the Turkish cause in the event of war. Preservation of the integrity of the Khilafat was a religious injunction and a matter of supreme importance to the entire world of Islam, which they hoped would stand by the Turks to every man.

**Otherwise, in Normal Times**

In normal circumstances, the Conference resolved to appeal to the country for TEN lakhs of rupees and fifty thousand volunteers within the next three months when the Central Khilafat Committee would advise regarding the launching of Civil Disobedience.

It was also decided to start at once an Angora Legion and a Committee consisting of Messrs. Daud. Upson, Kidwai and Mazhur-din was appointed for the purpose.

Other resolutions were also passed declaring that India's struggle for liberty would benefit by making common cause with other Asiatic countries, approving a Joint Committee to suggest a solution of Hindu-Muslim conflicts and sanctioning the right of self-defence recommended by the Civil Disobedience Committee.

The Conference approved the appeal for the Angora Aeroplane fund and urged Muhammadans to soon subscribe to the Fund.

**Of the other resolutions passed are—**

- (1) One resolution condemned the action of jail authorities in denying prisoners freedom to observe religious practices in jail, to say AZAN, for instance.
- (2) Another declared that Non-co-operation was not directed against Indian States but only against the foreign Government and hoped that Indian Chiefs would allow their subjects freedom to promote Swadeshi, panchayats, national education, and the Khilafat etc., and thanked those enlightened Rulers who had already allowed their subjects freedom in the above directions.
- (3) A third condemned the Frontier Crimes Regulation and the tyrannies perpetuated on political prisoners in the jails of the N. W. Frontier Province.
- (4) Yet another endorsed the view of the Khilafat Civil Disobedience Committee regarding the necessity of organisation of Labour in India and attempting to propagate among them religious and political affairs.
- (5) While reaffirming the boycott of Law Courts it made exception in case of those disputes which could not be settled by Panchayats and which involved serious issues.
- (6) A resolution urged Mahomedans to take increasing interest in the Congress and appealed to the Hindus to attempt to secure proper representation of Mahomedans where it was lacking.

(7) The Conference condemned disrespect to the Koran shown by the Gurkha police at Kismal, Maiz, Sylhet (Assam) and the attempt of the authorities to suppress the affair and declared that the responsibility for any untoward events as the result of disrespect of the Koran would rest on the authorities.

(8) The Conference made it obligatory on all Mussalmans, and particularly Khilafatists, to wear Khaddar alone which formed the essential part of Non-Co-operation.

(9) Another resolution urged boycott of Government schools and establishment of National schools, particularly introduction of the teaching of arts.

# FIFTEENTH SESSION OF The All-India Muslim League

*LUCKNOW—31ST. MARCH 1923*

The sitting of the 15th. Session of the All-India Muslim League commenced at Lucknow on 31st March 1923. The business of the day restricted to the reading of the speeches by Lt. Shaikh Shahid Hussain, the Chairman of the Reception Committee and Mr. Bhurgri the President of the League.

## CHAIRMAN'S SPEECH.

Lt. Shaikh Shahid Hussain in the course of his address said : "The Khilafat question has been solved not by futile appeals, nor by costly deputations but by the trusty sword of the keepers of the Khilafat, the Turkish nation led by the glorious hero of Islam, Ghazi Mustafa Kamal Pasha, thus saving Islam from accepting the favours or being under obligations to Europe." In regard to the transference of the Kha'ifate he said, "Professor Margoliuth, in a recent publication sarcastically remarks that while during the war the Moslems were laying down the proposition that the temporal and the spiritual power must remain united according to the SHARIAT in the person of the Khalifa and were accusing the Allies of attempting to destroy it, after the war the National Assembly of Angora adopts the policy of dividing the temporal and the spiritual power of the Sultan Khalifa. If the news is true then the National Assembly of Angora has to justify its action according to the SHARIAT before the Moslem world. We are not in any way bound to accept any such measure contrary to our religious commandments, As far as I understand from the FATWA of the Moslem Jurists, the spiritual and temporal power of the Khalifa cannot be separated. There can be no second Pope in Islam. At the same time a Khalifa cannot be an autocrat. I am sure of one thing that if out of sheer disgust at the action of the ex-Sultan or owing to the necessities of diplomacy during the peace negotiations they have been misled into this action the defenders of Khilafat will soon rectify the error when it is pointed out to them by the competent Moslem authorities. It is the duty of our ULEMA to make this point clear that the SHARIAT laws cannot be tampered. Angora National Assembly will put itself right by restoring it to the new Khalifa his rights conferred on him by the SHARA. As I said it is a domestic matter and its solution does not appear to me to be a difficult one.

Lt. Shadid next passed on to the question of Hindu-Moslem unity. In his opinion there had been some progress in the direction of Hindu-Muslim unity for which credit was due to some self-less

workers. He added "The soreness created in elections to various public bodies has been removed to a great extent by separate communal representation. The far-seeing policy of the Moslem League which was so much suspected at the beginning has justified itself. In the apparent dis-union we see the goal to final unity. During the transition period one ought not to be surprised if it is not all plain-sailing. This state of affairs is likely to continue till the country has advanced to a pitch when it will break these artificial bonds of its own accord. You distinguished brethren, in your wisdom will have to devote your attention for its solution. But brethren, if you agree with me then till that happy time comes the safest and the surest guarantee of the progress of the country lies in individual and communal advancement."

### The Presidential Address

The address of Mr. Bhurgri, the President of the All-India Muslim League is a long speech in six sections beginning with a note of hope that a more or less workable Turkish peace treaty is in sight. The address is divided into two parts, one dealing with the Turkish and the Khilafat questions and the other with the internal affairs of India.

At the outset Mr. Bhurgri paid a tribute to the founders of the Khilafat Committee in India and their successors in office for the splendid services they had rendered to the cause of Is'am. Reviewing the British attitude towards the Moslems in regard to the Greco-Turkish conflict he says "though the Mussalmans have known no peace of mind ever since the Tripolitan war they have never seen darker days than during the ministry of the ex-Premier Mr. Lloyd George who had been, as he himself admitted, largely responsible for the Greek occupation of Smyrna. He could never see or learn the wisdom and necessity of stopping the butchery and devastation systematically carried on by the Greeks in Anatolia. He spurned the Moslem appeals for the better understanding with Turkey and all he could think was that "the Mediterranean is vital to Britain; we want the friendship of the Greek people, a people whose friendship is vital to us. They will multiply and wax strong. They are a people of vital intelligence, of energy and they have shown they have courage." In support of M. Venizelos' theory of a Greek majority in Thrace and Smyrna he did not hesitate to employ his argument of these being "Greek Mahomedans" Mussalmans by religion, but of Greek nationality who should be linked to Greece."

Mr. Bhurgri next mentioned how the sudden Turkish onslaught on Smyrna and Ismid gave rise to Mr. Lloyd George's memorable manifesto whereby resentment against the Mussalmans in general and the Turks in particular was sought to be created in Europe and the British Dominions. The manifesto after alluding to the possibility of "the entire loss of the whole results of the victory over

Turkey in the late war" appealed for force to guard the freedom of the straits and to prevent violent and hostile Turkish aggression.

#### THE DRAFT TREATY.

Continuing, Mr. Bhurgri said : "We in India hoped that with the disappearance of Mr. Lloyd George, Britain would turn a new leaf in its foreign policy towards Turkey. But the proceedings of the Lausanne Conference are not of a happy nature. It will only be to the good of England if she shows a friendly gesture to Turkey even at this eleventh hour. The draft treaty presented to the Turks is a sorry document. It has still most of the faults of the obnoxious Treaty of Sevres and the Turks cannot be expected to accept it. Though the question of boundaries has been more or less settled the capitulations, the Straits, the "question of minorities" and the economic clauses are a stumbling block in the securing of real peace in the Near East. The capitulations have been largely instrumental in arresting the progress and development of Turkey. Originally they were concessions made by the free will and graciousness of the Turkish sovereigns, Now, however, they have assumed a dangerous shape. Though it is declared that the capitulations are abolished in principle, yet what is substituted in their place in the draft treaty is no remedy for the miserable political and economic plight of Turkey. If in the Turkish demand for the complete abolition of the capitulations the attitude of Lord Curzon has been hostile it is not less so even with regard to the question of the Straits,

#### QUESTION OF THE STRAITS.

Mr. Lloyd George was never tried of proclaiming the British and the world interests in the Straits of Dardanelles. And Lord Curzon too is proceeding with this question much in the same spirit. Let me at once say that no one would be against the permanent freedom of the Straits but that is a very different thing from their strategical freedom. The dismantling of the fortifications (though already completed by the Allies) and the free movement of warships between the Mediterranean and the Black Seas would be a source of permanent danger to the Black Sea States and we are not surprised at the stout opposition of Russia to such a scheme. The economic freedom of the Straits the Turks would gladly guarantee and they have in fact throughout the entire past scrupulously avoided restricting it even in times of national danger. To say that the Straits have an international character is really confusing the issue: If the proposition were carried to its logical conclusions, every waterway big or small, has more or less an international character. After all, the English Straits of Dardanelles is of very small percentage compared to that of Rumania, Russia and other Reparian Powers.



"If we pass on to the question of minorities there are many question of the Near East all awaiting a humanitarian solution and one despairs of the prospect of permanent peace in the Near East. The salvation of these minorities lies not in floting them still further, neither in the creation of national homes for them, nor wringing out for them forced and unworkable guarantees but in advising them to live peacefully with their neighbours. So long as they do believe that they have foreign protection even then engaged in treason against their country as they were during the last war there would be no lasting peace in Turkey and this question will always continue to drop us as did the other questions before it and which were only settled by the successive diminution of the Turkish possessions. If like us they are to have separate and communal representation in their Government, Turkey, I am sure, would not grudge granting it."

Continuing Mr. Bhurgri said that since the days when Lord Kitchener was sent out to Egypt to preserve the neutrality of Egypt in the Turko-Italian War the foreign policy of England towards the Islamic countries was one of unsympathetic and on some well-known occasions hostile attitude. If Islamic countries are weak to-day, Britain, in spite of recent expansion of her dominions, is decidedly weaker. Her prestige and moral weight are shaken in the East as they were never shaken before. In the Middle East where English statesmen counted their greatest gain, there is the greatest loss and the entire Middle East will sooner or latter be lost to them.

#### BRITISH ACTIVITIES IN MESOPOTAMIA.

Referring to the British activities in Mesopotamia, Mr. Bhurgri quoted Colonels Repington and Lawrence and said that the Arabs rebelled against the Turks during the war not because the Turkish Government was notably bad but because they wanted independence. They did not risk their lives in the battle to become British subjects or French citizens. Promises of independence were made to the Arabs though Mr. Churchill later on denied any knowledge of any promise of handing Mesopotamia back to the Arabs. "In regard to those problems in the Near East and Arabia," said Mr. Bhurgri, "views of the Turks, Arabs and Indians are wholly identical. All are only interested in securing the Arabs the right of self-determination and freedom from non-Muslim control, but will England consent to it? Speaking frankly I do not yet see any sign of it. So we Mussalmans must see these countries freed from the mandates which are crippling them and must stand by these people in their struggle."

#### LEAGUE OF ORIENTAL NATIONS,

Mr. Bhurgri went on to say "Signs are not already wanting of such a federation of States—a real League of nations—coming into being. Kabul, Tehran, and Angora have entered into a solemn

pact of brother-hood. The people of the so-called mandated territories will join it. The moment they come into their own and the day Japan and China have made up their differences, they would come in the movement and be the leading nations in the struggle. Some people think the idea of a League of Oriental Nations to be a dream, but when I notice the aggression of Europe against Asia and Africa, the behaviour of the White races towards the Coloured peoples and coloured prejudice in some of the Western countries, I clearly see the early realisation of this dream. Asia for the Asiatics has already gained possession of the heart of this Continent and has Africa for the Africans and silently—it may be slowly the maker and unmaker of nations in working out His will. India's place is undoubtedly in that brotherhood and I feel confident that it will one day, by reason of her size, population and resources, have a very honoured place in it."

In regard to the changing of the Khalifa, Mr. Bhurgri says "If the Angora Government ever comes to take a wrong step in religious matters, Mussalmans themselves will not allow it to go unchallenged and unconnected. But it is that the election of the Khalifa is in accordance with the best traditions of Islam and it was by election that Moslems have the best of the Khalifa. In addition to his election the present Khalifat-Ul-Mussulmen enjoys his exalted office by the free consent of the entire Moslem world. The deposition and even the flight of ex-Sultan Wahiduddin would have caused no comment had it not been for the fact that at the present moment birds of the same feather would have flocked in Hedjaz and it has created an impression. I fondly hope some developments with regard to the "Transference" of the Khilafat to ex-Sheriff Hussain may not be altogether impossible at the time of the forthcoming Haj. As the ex-Sheriff and the ex-Khalifa are the proteges of England I would be failing in my duty if I did not utter a solemn warning against any such foolish and unpaying proceedings.

#### INDIAN PROBLEMS.

The President next passed on to problems confronting India to-day. He said "British rule in India has worked both for good and evil and has had its due share of merits and demerits. In any case it has come to stay whether we regard it as a necessary evil or as a heavenly blessing. We cannot at present eradicate it without endangering our own existence, and let due notice be taken of this. But it is neither indelible nor eternal." Mr. Bhurgri laid the blame for this present tension of feeling in India at the door of short-sighted British statesmen in India and in England. Criticising the policy of Government after the coming of reforms he referred to the arrest of non-co-operators and "to the systematic persecution and torture of many of the political prisoners inside the jails and to the inhuman treatment of them as common depraved felons such as is unheard of in any other civilised country." He had a word of

praise for the U. P. Government for granting amnesty to political prisoners. Mr. Bhurgri strongly condemned the appointment of the Services Commission and next passed on to the Indianisation of the Army and other Services. He said that India being a man-power country as in contrast to money-powered England, the former could not afford to imitate the latter's most expensive military organisation.

Dealing with the question of Indians abroad he said "our countrymen in Kenya are threatened with violence and it is high time that we should devise ways and means of properly safeguarding their interest, person and property from the depredations of the "white-men's burden." The root cause of the problem however, lies in my opinion in the race-hatred of the white against the coloured of Europe versus Asia.

#### REMEDIES TO EVILS.

Suggesting remedies to all these evils Mr. Bhurgri said "there are three things which the Government of India can and must do without any loss of time to achieve the desired end. These are firstly urging for the appointment now instead of after ten years as originally stipulated of the Statutory Commission to examine the working of the reformed constitution specially with reference to the following —(a) relation between Simla and Whitehall. (b) the extent and direction in which the constitution should be amended so as to make the Government of India responsible in a greater degree to the people and what powers should further be developed on the Central Legislature and (c) the demand for full provincial autonomy; secondly taking immediate definite steps to grapple the most vexing questions of the day by formulating in consultation with the representatives of the people substantial and genuine schemes and stages (a) for the Indianisation of the Army and equipment for Indians in India, (b) for the Indianisation of the Services, (c) for grant of complete fiscal autonomy, (d) for the abandonment of the present growing military burdens, (e) for safeguarding the interests and status of Indians abroad and finally granting a general amnesty to many thousands of political prisoners who are now rotting in jails either for their misguided zeal or as innocent victims of repression and suppression.

Coming on to the question of Council entry Mr. Bhurgri declared that with the present 4 anna franchise constitution and cessation from it of Das-Nehru Party, the Congress was purely of the masses but not for the classes. "I am convinced that the new constitution affords a strong weapon in our hands if only we could wield it by presenting an united front against the common menace of the wave of reactionism which is now passing through Simla and Whitehall. Further these Councils provide ample opportunities and sure means of fostering Hindu-Muslim Unity by handling all inter-communal and even national legislation and problems with care, consideration,

sympathy and frequent consultations between the leaders of various communities for which the Councils afford the best meeting ground. The reformed Councils also afford the best available means for carrying out schemes of mass education and a system of propaganda among and education of the electorate on the burning topics of the day. In regard to communal representation he was not much in favour of it and termed it as an unavoidable evil to be taken recourse to in emergencies and to the minimum extent.

In conclusion Mr. Bhurgri made a fervent appeal for Hindu-Moslem unity and religious toleration.

### An Abrupt End

The session of the Moslem League came to an abrupt and unexpected close on April 1st. when it was adjourned *SINE DIE*. The circumstances that led to it were that in the previous night (31st March) there was a prolonged meeting of the Subjects Committee to consider the resolution by Dr. Ansari urging the establishment of a national pact on certain lines to ensure unity and harmony among the various communities and sects in India. This resolution was accepted by the Subjects Committee. Mr. Jinnah's resolution recommending entry into Councils and striving for attainment of Dominion Status proved a stumbling block. Dr. Ansari and other leading Non-co-operators vigorously opposed the motion. For five hours together this same resolution was discussed in the Subjects Committee. On Sunday (April 1st) at midday, when votes were called for and when many members of the Committee had left for lunch Mr. Jinnah's motion was rejected by twelve to nine votes. It was uncertain what would have been the fate of the motion in the open meeting of the League. The parties were evenly balanced. There was considerable excitement and the meeting of the League was postponed from 11 a. m. to 3 P. M. At 3 P. M. again it was decided to hold the meeting at 5 P. M. in the evening. Proceedings accordingly commenced at 5 and two resolutions were passed. The third resolution pressed by Hon. Mr. Reza Ali was under discussion when Mr. Zahur Ahmed, a non-co-operating Barrister of Allahabad, raised an objection on the ground of quorum pointing out that though the hall was full there was not the requisite number of bonafide members of the League. The President upheld the objection and adjourned the session *SINE DIE*.

### Resolution

The following is the resolution unanimously passed by the Subjects Committee of the 15th Session of the All-India Muslim League held at Lucknow :—

“Whereas it is necessary that complete unity should be maintained among the various communities and sects inhabiting India and whereas this unity and solidarity is essential for the attainment of

our goal and whereas complete unity and understanding are not possible without full faith and trust in the fairness and justice of the various communities in their relations with each other this session of the All-India Muslim League resolves that in order to fulfil these objects a Committee consisting of the following gentlemen be appointed hereby to collaborate with similar committees to be appointed by the Indian National Congress, the Khilafat Committee, the Shiromani Gurdwara Prabandhak Committee, the Jamait-ul-Ulema, the Hindu Maha Sabha, and other representative bodies of the various communities in order to prepare and bring about an Indian National Pact on the lines indicated hereinafter.

“(a) Safeguarding the right of different communities especially of the minorities fixing up proportion of representation of the various communities in all the Councils, Municipal Bodies, Local Boards, Panchayats, Universities, and the Services, the small minorities to get representation in excess of their population, these to be given from the Hindu and Muslim members.

“(b) Perfect freedom in religious observance of various sects inhabiting India. Complete respect for all religions and religious observances and susceptibilities of various sects by other sects. This freedom would include the right of preaching and spreading the various religions, provided no force, intimidation, coercion or any other unfair means are adopted.

“(c) Settlement of questions leading to differences and conflict e. g. cow preservation, Dusehra, Mohurram, Rathjatra processions, Sikh Diwans, music before mosques and shrines and the recognition of Hindustani (Urdu or Hindi) as the official language of India with Persian and Deo Nagri scripts. Arbitration Boards to be appointed in each provinces and each district to prevent communal friction and to arbitrate in case of disputes.”

“It is further resolved that the people of India should participate in the formation of Federation to Eastern Countries with the object of mutual help in the matter of trade and commerce and to free themselves from the economic exploitation and domination by Europe with a view to enlarge and support the oriental culture and generally to maintain good and friendly relations between the various nationalities all over the East.”

## FOURTH SESSION OF THE Jamait-ul-Ulema Conference

*GAYA—24TH DECEMBER 1923*

Amongst the Conferences, besides the National Congress, held at Gaya were two religio-political meetings of great significance. These were the All-India Hindu Mahasabha and the Jamait-ul-Ulema. Both, though strictly speaking only religious organisations, took for the first time at Gaya a distinctly political colour and joined hands with the N-C-O Congress thus giving it a positive religious sanction. The Jamait-ul-Ulema (congregation of Muslim religious leaders) opened its 4th Session at Gaya on the 24th December in its own spacious and well-decorated pandal with several thousands of Moslem divines from all over India and a sprinkling of Moslem laymen and non-moslem visitors. For the first time since its constitution the Jamait-ul-Ulema held its sitting during the Congress week.

Maulana Habibul Rahman of Deoband, the President-elect could not arrive in time. The Conference opened in his absence with recitations from the holy quoran and National poems. Thereafter Maulana Abdul Rauf of Dinapur read out his printed address as Chairman of the Reception Committee. The Conference then adjourned for a short time for another sitting during the day.

The two addresses, that of the President-elect (Maulvi Habibul Rahman of the University at Deoband, which is a recognised centre of Islamic learning of the world), and of the Chairman of the Reception Committee (Maulvi Abdul Rauf), were remarkable for the exposition of clerical opinion on the controversy regarding the Khalifat. Both hoped Angora would keep in view that the Indian Mohamedans considered that the Sultanate and the Khalifat must be vested in one and the same person, who may be elected, but who should enjoy the title of 'His Majesty' and must possess both temporal and spiritual powers. A great decision about the question of Council entry was given by the Conference even before the Congress and Khilafat Committees could make up their mind.

Unusually large numbers of delegates attended and there were also many Hindu and Sikh visitors. Several prominent Congress leaders were seated on the dais.

### *Chairman's Address*

Maulana Abdul Rauf, Chairman, Reception Committee, in welcoming the delegates read a long address in Urdu. He said that the Cross was to-day pitted against the Crescent, and Europe was trying to drive Turkey out of its small European possessions. British rule in India had not only deprived them of manhood, by always teaching the Indians to hate war, while they the British were themselves making

greater preparations for war, for the so-called purpose of maintaining peace, but the clauses of the Penal Code were placed above the laws of God and the Rulers wanted them to remain loyal while Islam was being destroyed by them. In such a state of affairs the duty of the Indian Mahomedan was clear. They should be ever grateful to the Kemalists for saving Islam from extinction. But the Turkish victories had given birth to new problems, regarding the future of Islamic practices dealing with the position of the Khilafat. Maulvi Abdul Rauf said that the Khilafat could be both elected and nominated, and could be deposed. The Khilafat need not be confined in any family and he saw no reason why it should have been confined to Osman. No one could be a Khalifa unless he possessed both spiritual and temporal powers. He knew that the present time was against personal rule, that such a rule in the case of the Sultan had been abused. But Islamic law contemplated no other form of Government. A Khalifa may be deposed and a new one elected. But when a Khalifa was appointed he ought to enjoy both the spiritual and temporal powers. The Speaker did not know how far the reports regarding Angora's decision depriving the new Khalifa of temporal powers was true, but if it was, he took exception to it. Rather than curtailing the powers of the Khalifa the Speaker's opinion was that the Khilafat should be a living force, that all Moslem States such as Turkey, Afghanistan, Persia, Bokhara, Khiva, Arabia and Iraq should owe allegiance to the Khalifa who would grant them all internal autonomy and could control the foreign policy of all such Muslim States, so that in time of war the forces of all these States may muster to defend Islam. He added that in the case of countries like India which had passed from Muslim control the Shariat laid down that the Khalifa should send to such countries his own nominee who would settle their disputes and guide them. He hoped that the Jamait-ul-Ulema would now attempt to put right this shortcoming.

Touching political issues in this country Maulvi Abdul Rauf said that non-co-operation had revolutionised the Indians' mind, but its great success was prevented by the Bardoli mistake of its author in suspending the offensive. He ridiculed the idea of capturing Councils for doing nothing. Would not that mean useless waste of the country's energy and funds? Congress candidates would not be able to achieve more through Councils than the present Councillors and the talk about paralysing the Government through Councils was as futile as the promise of attainment of Swaraj in three months.

#### The Presidential Address

In the absence of the President-elect, who had not till then arrived, the Presidential Address was read out by Moulvi Shabbir Ahmed of Deobund.

Maulvi Habibul Rahman of Deoband gave a very long address in Urdu, covering forty-two printed pages which took three

hours to read. It was throughout listened with close attention and was occasionally punctuated with applause.

#### Cross Vs. Crescent.

He said that throughout her life Islam had Christianity as its main and traditional enemy: The latest attempt of the victorious Cross to destroy Islam was after the great War when the Allies imposed on Turkey a treaty which smashed her power completely. Islam had in the past withstood several attacks solely because of her spiritual strength. For several centuries Turks had defended her and even to-day Turks had not only again saved her from extinction but was alone among Muslim States sufficiently powerful to defend their faith against the aggressor. Moslems of the world owed a great debt of gratitude to Kemalists. He was therefore surprised to find in some quarters hostile criticism of the Turks. He conceded that Turks being human were liable to err and Indian Muhammedans should respectfully represent their views to Angora. The Moulana said that the fact that Angora was summoning a conference of Moslem leaders from all over the world to frame the laws of Turkey in accordance with the Shariat proved the anxiety of the Kemalists to observe the Koranic law. He was sure that as spirituality had all along saved Islam, Kemalists would not go against the Shariat (God's law) or introduce innovations inconsistent with it. Touching the position of the Khilafat, the Moulana observed that a Khalifa may be elected and also deposed if undesirable, that his powers may even be made normal by constitutional delegation, but that the authority of the Khalifa as such must be supreme. The Sultanate and the Khilafat could not be separated and there could be no Khalifa unless he enjoyed both spiritual and temporal powers. His title must also remain "His Majesty". The speaker felt sure that Angora would pay attention to this respectful representation of the Indian Muslim view regarding the position of the Khilafat and that the Jamait-ul-Ulema would be recognised by the Turkish Government and its help sought in the solution of religious issues. The Maulana also praised the services of the Osman family whose members for over six centuries had ruled more than any other dynasty. He suggested that Mustapha Kemal Pasha be given the title 'Mujadid-i-Khilafat' (Saviour of Khilafat) for his services in giving Islam a new birth.

#### The Indian Situation.

The Maulana next dwelt upon the special responsibilities of the Jamait-ul-Ulema. He claimed for it superiority over all other Muslim organisations or conferences in India and declared that in time to come it would represent a unique position in the world so as to lead Muslim opinion in religious matters, but as politics and religion were inseparable in Islam, the Jamait was also competent to give the lead on political issues. And as the betterment of Islam could be achieved only if India was autonomous, the Jamait had placed above all efforts at securing independence. If they were to



succesed in shaking off slavery it was essential that Hindus and Muhammadans should work united, but as occasions had arisen when religious disputes had seriously interfered with unity, he suggested that a joint committee of fair-minded Hindu and Muhammadan leaders should sit and recommend measures to be adopted by both parties to avoid all possible chance of religious or other conflicts.

#### ON COUNCIL ENTRY

Touching the controversy regarding the Congress programme, he emphasised that N-C-O was a religious obligation on Muhammadans and, according to the last Fatwa of the Ulemas, Muhammadans could neither co-operate nor take oath of allegiance. They could not therefore sit in the Councils, even if they succeeded at the polls. The only alternative consistent with the Fatwa was that pointed out by the resolution adopted by the Executive Committee of Jamait-ul-ulema on the 11th Nov. last. This decision permitted the capturing of seats but refusing to take the oath. The Maulana thought that this course offered a ground for compromise between the two opposite views, but asked whether all the bother and expense of fighting the elections would be worth the compensatory gain. If it was, they may adopt that course and save division in their ranks. His own view was that the best course to follow was to carry on vigorously the constructive programme of N-C-O which offered real ground for solid and useful work.

In conclusion, Maulana Habibul Rahman urged the necessity for the widening of their organisation and carrying propaganda to the masses. He hoped that soon provincial heads of the Shariat, and later on, an All-India Amir of Shariat would be elected to lead Muhammadans in the right course.

#### The 2nd Sitting.

The second sitting of the Jamait-ul-Ulema Hind commenced on December 24th at 2-30 noon. Maulana Habibur Rahman of Deobund, the President-elect, arrived at 2 P. M. He was received on the station platform by Maulana Sajjad, Secretary Reception Committee, and other Reception executive members amid loud acclamation of "Alla-ho-Akbar" and followed by a number of Ulemas of Deoband who accompanied him all the way till he entered the pandal. Quazi Shah Sulaiman of Phulwari, thereupon, introducing the reverend Maulana to the audience in fitting terms proposed him to the Chair and was seconded by Maulanas Kifayatullah, Syed Suleman Nadvi, Mazharuddin Abudacod of Sind, Fazlullah of Madras and Abdulla of Egypt. The President thereupon was presented with an ABA and a badge on which was embroidered "President, Fourth annual session, Jamait-ul Ulema Hind."

The Subjects Committee of the Jamait-ul-Ulema, consisting of about one hundred elected members, decided that standing for

elections even under the condition that no oath be taken if elected, is against the Shariat of Islam and prohibited.

The Committee passed a resolution congratulating Kemal Pasha on his victories and giving him the name of the "Reformer of Khilafat."

The question as to the temporal power of the Khilafat came in for a good deal of discussion and as opinion was sharply divided, no understanding was arrived at.

The Jamait-ul-Ulema also decided that on the question of Councils it is forbidden as an evil by Shariat of Islam to stand for elections even on condition that the successful candidate should not take oath or sit in the Councils. This was passed in the Subjects Committee by 70 votes against 4 and was unanimously passed at the general body meeting. Maulana Azad Sobhani was the mover of the proposition.

At the concluding Session of the Jamait on the 26th December six resolutions adopted by the Subjects Committee were all approved unanimously by the general meeting of Ulemas. The most important proposition passed was : -

"That while expressing full confidence in Mustapha Kemal Pasha and the Angora National Assembly, the Jamait requested them that in future they should, along with safeguarding Turkey, Islam and Islamic nationalities from personal and bureaucratic rule, would keep intact the real prestige and power of the Khalifa as enjoined by the Shariat."

#### COUNCIL ENTRY.

The Resolution regarding participation in the next general election declared it to be against the Shariat (Koranic injunctions) to stand for elections or to make efforts in that behalf even though the intention of the candidate be not to take part in Council proceedings and to refuse to take the oath. This resolution differs from that passed in November by the Executive Committee of the Jamait in Delhi permitting election provided the oath of allegiance was not taken.

Other resolutions passed were :—

(1) Acknowledging Sultan Abdul Majid as Khalifa in view of the great services of the Osman family to Islam and welcoming, as being more in conformity with the Shariat, the election of a Khalifa from the Osman family on individual merits irrespective of his being the eldest member of the Osman family.

#### HINDU-MOSLEM UNITY.

(2) Suggesting the appointment of a Joint Committee with representatives from Congress, Muslim League, Khilafat Conference and the Jamait-ul-ulema to examine the causes leading to friction between different communities of India, especially Hindus and Musselmans, and suggesting means to remove them so that the unity essential for the attainment of freedom be ensured.

(3) Congratulating the Mustapha and Kemalists on their victories and presenting Mustapha Kemal Pasha, whom they termed "The great Crusader," with the title of Mujadid-i-Khilafat (saviour of Khilafat, for having given Khilafat a rebirth.

(4) The Jamait heartily accepted the services rendered by Maulana Abul Kalam Azad to his faith and country and congratulated him and other Ulemas and Khilafat workers on their helpless arrest and patience, and also objected to the confiscation of Maulana's written statement by the order of Bengal Government and finds it a new invented form of religious interference.

(5) It also expressed sympathy with the Marakashi Brothers of Morocco who are fighting with the Spanish Government beneath the standard of their Sirdar, Sayed Abdul Karim, to obtain the freedom of their religion and country and are facing each and every danger with great perseverance and endurance.

(6) That an extraordinary meeting of Jamait-ul-ulema Hind be called at Delhi to settle the selection of the officers and the members of the Managing Committee of the Jamait and other important matters.

(7) After going through the report of the Enquiry Commission of the Central Khilafat Committee, it found the details of the brutal treatment offered by the Gurkhas to the holy Quran in division Paisabagh, District Sylhet in Assam Province, which was a harsh and open insult to the Islamic religion and the continuous efforts made by the Government to keep this away from the public eyes and warned the Government that all responsibility would rest with the Government itself if any fresh troubles arose in this connection owing to its aggressive policy which was against and insulting to Islam.

(8) It proposed that the proposals pertaining to the boycott of British goods, Councils and Courts be published and distributed.

(9) It passed a vote of congratulation to the Jamait-ul-ulema, Behar for the appointment of an Ameer Sheriat in that province and setting a leading example to others.

The last resolution offered grateful thanks to the President and others who had helped to make the Conference such a unique success.

## ANNUAL MEETING OF THE All-India Hindu Mahasabha

The All-India Hindu Mahasabha held its annual Conference at Gaya in the Congress pandal on the 30th. December 1922. Mr. Rajendra Prasad was the Chairman of the Reception Committee and Pundit Madan Mohan Malaviya the President.

Pundit Malaviya in the course of his address said :—

The Hindu community had degenerated more than any other sister community inhabiting India. Her birth rate had decreased, death rate increased, age reduced and cowardice had taken place of bravery. All this had occurred because they had ignored their Dharma and had taken to child marriage and had allowed other evils to enter into their social system. What was the Hindu Dharma ? It told them to respect other Religions, to be tolerant and never to be aggressive. But it also enjoined upon them not to hesitate for a moment to lay down even their lives, if their Dharma was attacked. In the observance of this Dharma alone to its very letter and spirit lay the true solution of the problem of Hindu-Moslem unity. He was convinced that no unity could be maintained unless both the Hindus and Musalmans individually felt strong enough to defend themselves against attacks by bad elements of the other. He did not say this in order to prepare the Hindus for aggressive ends, but to remove the only cause of conflict. The breaches in the past were due mainly to the weakness of the Hindus. Bad elements among the Mohamadans, feeling sure that the Hindus were cowards, attacked them. After working for a long time in the service of the public he had come to the only one conclusion on the question of Hindu-Muslim unity—it was that each should feel that the other was strong enough to ward off successfully any unjust attack by the other and thus alone would harmony be maintained. He wanted the Indian manhood and womanhood to realise its duty of defending itself. He would like to see their women armed with guns and revolvers like English women to defend their honours against those who attacked them.

Proceeding Fundit Malaviya appealed to the Hindus to be genuine, firm and strong Hindus, but to realise also that they were Indians first and Hindus next. He suggested that in all villages Hindu Sabhas should be started and once a month they should hold a joint meeting of all the communities in the village to promote unity among them and to settle common problems in the spirit of give and take. Once a month they should also hold a meeting of the Hindu Sabha exclusively for their socio-religious affairs with a view

to regenerate their community which had behind it a great name and a great civilization.

Concluding Pandit Malaviya appealed for the removal of the untouchability by feeling love for the untouchable and lifting them. He would not force the Hindus to eat with them or to inter-marry, but to recognise them as one of them and to love them and improve their position and not let them fall prey to other religions which were converting them.

### Resolutions.

The All-India Hindu Mahasabha held its second sitting on the 2nd. January to pass resolutions the most important of which related to the best means of maintaining the Hindu-Moslem unity.

The first four resolutions appreciated the services of Mahatma Gandhi and Shri Shankaracharya of Sharda Peth and expressed sorrow at the death of the Maharaja of Jaipur, Babu Motilal Ghosh and Sir Balchandra Krishna.

The fifth resolution reminded the Hindus of their religious obligation of the stoppage of cow slaughter and called upon them not to sell cows to persons likely to sell them for slaughter and also to discard as far as possible use of leather-made articles.

The sixth resolution expressed thanks to the Amir of Afghanistan and the Nizam of Hyderabad for stopping cow slaughter and requested Muhammadans and Christians and Local Boards to stop cow slaughter.

The seventh resolution sympathised deeply with the Malabar Hindus and called upon religious leaders of that province to unhesitatingly re-embrace all those converts and restore them to their former caste and social status.

The Sabha also expressed horror and indignation at the attacks on women and desecration of Hindu Temples in Malabar and Multan and decided to open an All-India Hindu Relief Fund for the help of sufferers and to appoint a committee for the purpose.

The eighth resolution passed runs thus : this conference of the All-India Hindu Mahasabha places on record its deep conviction that for fulfilment of the first essential condition of attaining Swaraj, viz Hindu-Muslim unity as well as of self-preservation and religious safety of the Hindu community, it is essential that Hindu Sabhas and Hindu Raksha Mandalis under them should be formed in every village and town throughout India and be affiliated to the All-India Hindu Mahasabha and appoints an organising committee consisting of the following members to organise Hindu Sabhas in all the provinces and send their representatives to the All-India Hindu Sabha in its next annual session.

(Here is given a long list of names).

The next resolution requested the Hindu religious leaders to impart religious training and improve social condition of low classes of Hindus including untouchables and raise their status in every way.

## THIRD SESSION OF THE All-India Students' Conference

*GAYA—27TH DECEMBER 1922*

The 3rd All-India College Students' Conference met at Gaya on December 27, 1922 under the presidency of Babu Bhagwan Das of Benares. Those present included Pandit Madan Mohan Malaviya, Mr. Vijayaraghavachariar, Babu Shiva Prasad Gupta, Prof Teja Singh, Sardar Lakshman Singh, Mr. Sri-Prakash and a large number of delegates, including a few ladies mostly from Bengal.

Mr. Nathuni Lal, Chairman of the Reception Committee, in his welcome address strongly pleaded for a common platform between non-co-operating students and co-operating students, lest the gulf should grow wider and common ruin overtake them all. He urged that the time at the disposal of the students should be fully utilised in preparing themselves for successfully taking part in politics and this, of course, in the absence of a contrary resolution in the Conference. Village schools should be organised and education imparted to youths. In order to remove the appalling ignorance of the fundamental principle of making life happy and comfortable, a campaign of lectures in the vernaculars should also be organised and conducted so that people might understand and act according to the principles of sanitation and medical and other relief during abnormal times of epidemics. Mr. Nathuni Lal further advised the delegates to endeavour to create a strong public opinion against drinking, but not by picketing liquor shops, because that course was fraught with possibilities of grave dangers and violent reaction. In conclusion he exhorted them to organise boy-scouts, and thereby improve the physical and moral training of the youth of this country.

### Presidential Address.

Babu Bhagwan Das, then delivered the following Presidential Address :—

MY VERY DEAR YOUNG FRIENDS.—There are many wonderful things in this world. But the time of youth in the life of man is one of the most wonderful. In this forenoon of life, the call of the flesh, the call of the senses, the call of the pleasures and the possessions of the earthly life, comes to the soul. But the call of the Spirit is upon it too. The attractions and temptations of finite Matter pull it towards the ways of selfishness. But the memory of its inherent Infinity, of its identity with the Universal Spirit of all Life, and, therefore, of its duty of unselfish philanthropy, invades it again and again also. Self-assertiveness, egoistic turbulence, bump-

tiousness of many kinds, and also timidities and fears, obsess it one moment. The finest sentiments, the most romantic dreams of noble self-effacement, humility, courage, and self-sacrifice for the helping and the serving of others, inspire it in the next. In this marvellous time selfish pursuit and selfless renunciation drag it in opposite directions. Over all broods an eager curiosity for new knowledge and new experience.

The normal reconciliation of these conflicting motives has been found and prescribed by the Elders of the Human Race, in the family-life, the life of the household, the life of selfish rights and unselfish duties. But these are abnormal days for India, and, indeed, for the whole world. For normal periods we have normal laws. SAMPAT-KALA has its SAMPAD-DHARMA. But APAT-KALA needs APAD-DHARMA. Abnormal epochs are governed by abnormal laws. Those souls are fortunate, therefore, in whom the call of the Spirit prevails strongly, to-day, over the call of the flesh, and who are compelled from within to dedicate their lives, for long or short periods, to the service of their fellow-men, on the larger scale, instead of the smaller group of the family. Such souls are rare. But Mother India needs them sorely in greater numbers at this time; and, I earnestly believe, is bringing them to birth in the needed numbers.

Among you, gathered here, she may find many such, if you will lay yourselves open to the higher impulses. To many of you may come that Divine Fire which the Vedas invoke with solemn chant.—

'This Light of God, this Nur-i-Khuda, is hidden in the heart of every human being, waiting to be invoked into splendid manifestation.'

#### AN IDEAL NEEDED.

To attract this Divine Fire, the love of an Ideal is necessary. There is nothing so refining, so elevating as this love of a great Ideal. This worship is the most practical of all practical measures. Those who think that practicalism is incompatible with idealism are truly the most hopelessly unpractical. The ideal gives the motive force. It is the end, the aim, the love for the object, which makes individuals and nations move forwards. The practical is only the means. Both need each other. What should we think of those who might say that Swarajists are merely idealists and impractical?

My dear friends of the younger generation, I advise you therefore to harbour assiduously within your hearts the love of a great ideal. The Bhagavad-Gita says:—

'Whatsoe'er thou lovest,  
'That become thou must;  
'God, if thou love God,  
'Dust, if thou love dust.'

## THE MOTHER AND THE MOTHERLAND.

The natural, the first, ideal to love for the human being is the mother. The mother-heart is the finest and truest temple of God. There never was or is or will be a bad mother. As Sankaracharya sings in his hymn to the World-Mother, Mother-Nature :

'Bad sons are born, alas ! too frequently ;  
But a bad mother—never and nowhere.'

Even tiger-mothers and wolf-mothers are MOTHERS to their young. In them, too, mother-love flows forth visibly as milk, to be transformed into the life-blood and the life of their babies. And therefore the ancient Script of manu says :

"The father may exceed the ordinary teacher hundred times, in the title to reverence ; but the mother exceedeth the father a thousand times."

Therefore, instinctively, next after the cry to the Supreme Spirit within all, the Param-Atman, Maha-deva, "The Great God," Allah-u-Akbar, "God is Great," Sat-Sri-Akal, "The Timeless One alone is Eternally True"—next after this, the Eastern heart in India has adopted as its ideal cry :

'MATABADE'

"Mother, I salute Thee, I live for Thee."

Where there is love for the mother, there is no room for any sin or vice or meanness. Do not make the mistake of thinking that it is something fit only for little children. In the ancient epics of India the greatest teachers and the greatest warriors are as often called by their matronymics as their patronymics. Rama and Lakshmana are Kausalya-nandana and Saumitri as often as Dasharathi. Krishna is Devaki-putra as much as Vasudeva. Jesus is inseparable from the Madonna. Fatima is always mentioned with Hasan and Husain.

In the more sensitive and the more philanthropic souls, this primal love of the mother becomes the burning love of the Motherland, the Divine Fire of Patriotism and Humanism. Then it is realised that 'Janani Janmabhūmischa Sargadopi Gariyasi' :—

"The mother and the motherland are dearer than Heaven itself."

## THE IDEAL BRIDE AND THE IDEAL CULTURE.

But this love of the mother and the motherland needs to be supplemented by another ideal also.

The Rig-Veda enjoins :—

"The mother-tongue, the mother-culture, the mother-land—these three deities are the sources of all blessings ; enthrone them in your hearts"

For our present purpose, we may think of Ida and Saraswati as one. CULTURE, I.E., a refined way of thinking, feeling, acting, a polished manner of speaking, behaving and living, generally, is



primarily embodied in a LITERATURE, which, in turn, lives in and by a LANGUAGE.

Beside the mother-ideal, every youth naturally cherishes, in the inmost recesses of his heart, some image of an ideal bride also. But this too, like the other, is a most refining influence. You know the English legend of King Arthur, put into noble verse by Tennyson. That great King organised the Order of the Knights of the Round Table, for the redemption of Britain from the forces of evil then rampant in it ;

“ A glorious company, the flower of men,  
To serve as model for the mighty world,  
And be the fair beginning of a time,”

He made his knights take solemn oath,

“ To ride abroad redressing human wrongs,  
To speak a no slander, no, nor listen to it,  
To lead sweet lives in purest chastity,  
To love one maiden only, cleave to her,  
And worship her with years of noble deeds.  
Until they on her ; for indeed I know  
Of no more subtle master under Heaven  
Than is the maiden passion for a maid,  
Not only to keep down the base in man  
But teach high thought, and amiable words,  
And courtliness, and the desire of fame,  
And love of truth and all that makes a man.”

All this is in entire accordance with the best ancient Indian tradition also. Rama had to win Sita by noble deeds. And the GITA tells us that A-BHAYAM, fearless courage, is the first of the qualities that mark the godly man. Chivalrous courtesy and gentleness to women is an essential element in every fine type of character, and absolutely indispensable for the uplifting of a people. Manu says :—

“ Where women are honored, there the gods rejoice and shower all blessings. But where they are slighted, all efforts come to naught.”

And the Rishis have repeated the idea in other words :—

“ The son of Atri teaches : Eat when the previous meal has been digested and you feel hungry. Gautama says : Be tender to all living things. Brihaspati's advice is : Trust, but not overmuch : And the son of Bhrigu counsels : Be gentle unto woman.”

To the Vidyarthi, Brahmachari, of all times and climes, ideal bride should have two forms : the form of the ideal image of the human maid, and the form of that particular manifestation of Saraswati, that special science, that department of knowledge, which he is studying most closely ; even as the mother has for him two forms, the human mother and the Motherland. It were

well for India, if her students to-day cherished in their hearts these second forms very strongly; and also taught their science-bride to be the devoted helper and servant of her benign mother-in-law, the Motherland.

#### THE NEEDS OF INDIA

I invite your attention to the fact that King Arthur did not advise his knights to marry but TO LEAD PURE LIVES AND WORSHIP THEIR IDEAL IDOLS WITH YEARS OF NOBLE DEEDS. India needs, to-day, large numbers of young men who will deliberately keep away from the household life, and remain unwedded for a certain number of years, even after attaining the age when studies are normally said to be finished, and who will give these years to the service of the Motherland in specific ways of social work of various kinds, or more definite Congress work, according to their opportunities, while improving their knowledge and their bodily and mental health and strength.

Of course, they should coax their parents to consent. Otherwise the work loses half its blessedness. If they succeed in so winning the consent of the older generation, and prolong their period of BRAHMA-CHARYA, the period of the gathering of knowledge and the conservation of vitality, the period of the growth of mind and body, and add to these some specific service of the Motherland, they will bring the day of the redemption of India much nearer. The successful observance of BRAHMA-CHARYA means that self-control, self-conservation, self-strengthening, self-development in body and soul, which is, indeed, the indispensable condition of stable and successful Self-Government, Swaraj, the reign of the Higher Self, in the individual as well as the community. From educational institutions inspired by noble aspirations, and filled with the atmosphere of pure, clean, earnest young life, there radiate influences which spread health throughout the community. Sin feels ashamed and afraid in the presence of strong, innocent, earnest, aspiring youth.

#### TOO EARLY MARRIAGE AND PROGENITION

And it is becoming less difficult to win the parents' consent. A great change of heart, change of sentiment and thought, is taking place throughout the land. Among other things, people are realising that there is too early and too much marrying and too early and too much progenition in the country. Where the population is too numerous, life will become valueless, in many ways. It is the old law of economics. Where the supply is too great, the article will become cheap and also nasty; for over-production means deterioration of quality. If the progeny are, initially, of vigorous vitality, they will murder each other, as in the days of the MAHABHARATA War, and again to-day, in the great European War. If they are feeble and devitalised by long-continued internal disputes and other causes, they will become enslaved by other more vigorous nations. The life of the Indian is held cheap and is exploited by the Western

man because it is too prolific and too feeble. The man with wife and children, and, in India, often some other relatives to support, has no heart, no strength, left for public work. The man who is 'burdened with household responsibilities should not have the burden of public work added. His duty is done if he gives financial support, ordinarily, or some simple equivalent. Those who have not yet entered the household life, and those who have retired from it, are the persons who can and ought to do public work best. And they come together naturally; the older, the VANAPRASTHAS, to guide and take the lead in public activities, the younger to follow and carry out.

In this way, the work that India needs will be done most effectively.

And Providence seems to be guiding minds and hearts in this direction.

#### THE ALL-INDIA STUDENTS' ASSOCIATION.

Your All-India Students' Association seems to me to be the result of a right inspiration. I love to imagine that it is the beginning of a great and numerously manned Order of the Round Table, an Association of fresh and strong and pure young hearts, eager minds, clean bodies all unsoiled by vice or sin, taking earnest vows of chivalry to do their utmost to lift up India from her fallen condition.

#### ITS RELATION TO POLITICS.

At the same time, I will repeat to you the advice of your first President, our beloved Lala Lajpat Rai-ji, now in jail for the crime of loving his country. I will quote from the published report. He said to you: "There are a good many amongst ourselves who believe that students should have nothing to do with politics. I do not subscribe to that proposition. But the Students' Organisation which you are going to create ought to steer clear of all party politics. Otherwise, this organisation of yours might become only an appendage to some party political organisation of the country, and the split that you find among the political parties will also be solidified and to a certain extent carried out in student life.... If we want to create an important organisation which should carry weight with the whole student community and speak in its name, then you should aim at a representative institution containing all shades of student opinion in all the different parts of the country. When we arrive at a decision which requires certain conduct on your part, of course you will follow that which is accepted by the resolution. (But) you should not give your decision that mandatory character which will exclude others.

I think that your constitution at the present stage should be possessed of some elasticity, to enable you to expand it on national lines so as to make it a fully representative institution."

I find myself in entire agreement with this wise counsel, and repeat to you that you need not, as a body, attach yourself to any particular political PARTY. Leave your ranks open for members of different views as to methods and ways of serving India; but the ideal of national freedom and India's uplift must be the common ideal of all. The direction in which you all move must be the same; but the pace, and even the path, may be different for the different members, according to the capacities, the inclinations, the opportunities, the circumstances, and the views of the respective trusted advisers and elders and leaders of each.

By keeping your association thus broad, by practising mutual tolerance, by diligently striving to appreciate each others' good qualities and to each other's points of view, you may, by gentle domestic influence, help to bring closer together the now unfortunately very divergent political parties of the older generation also, and may thus substantially help on the reformation of a United India. Youth is the time for initiating strong and lifelong, because un-interested and unselfish, friendships. If you of the younger generation determine to cling on to each other, your elders, now quarrelling with each other—for YOUR sake, ultimately, remember—will feel compelled to sink their differences, and make peace—for YOUR dear sake, again—the peace that will mean the salvation of Mother India.

#### CAST YOUR NET WIDE

Cast your net wide, and gather into your Association students from all parts of the country, representing all the mother tongues and all the religions of India, from non-co-operators' families, from non-official institutions and from official institutions, and imbue them all with a burning love of the Motherland. The beacon-star of that great love will always guide you all aright, if you remember also that love of one's own race and nation means, in its perfection, love of the whole Human Race, that Humanism is the perfection of nationalism. In this way you will effectively help on the true reformation, the regeneration of yourselves and of the Indian People, for you are the Indian People of to-morrow.

#### EDUCATIONAL INSTITUTIONS AS CENTRES OF ALL REFORMS

For the last twenty five years, since the Central Hindu College was founded in Benares in 1898, and from before that time, I have felt and thought more and more strongly, that educational institutions should be the centres of ALL kinds of reform, not only educational, but also domestic, social, economic, political, moral and religious.

You all must be aware that in the ancient Indian culture, a solemn ceremony, the ceremony of UPA-NAYANA (literally, 'leading up to the teacher and to the knowledge of the Truth') the most prominent external formality of which is the investiture with the

sacred thread, marks the commencement of education and the student-life. And the boy is said to receive a second birth therein. It is his regeneration, his reformation. The ACHARYA, who adopts, as his own son, the son of the stranger, by formal rite, and takes him into his own family becomes the father, and SAVITRI, the sacred MANTRA (the Invocation of the Light of the Supreme Spirit), conceived as the goddess of all light and learning, becomes the mother.

In the new way, the entry of the scholar's name by a clerk in a register, after a cursory cross-examination by a schoolmaster, and the filling in of certain printed forms—this is the unimpressive and almost vulgar substitute for the beautiful ancient ceremony which nobly stamps the relation of teacher and pupil as the relation of father and son, on the minds of the two chiefly concerned, as well as of all present. The ceremony, at the same time, indicates the nature of the work that has to be done. It is the re-orming, the regenerating, the bringing to a second and finer birth, of the younger generation in all aspects of its life.

The permanent foundations of life have to be laid in the student-stage. It is the duty of the managers of the national household to give the greatest possible care and attention to the Educational department. But when the management is in the hands of men of alien interests, the work of that department, as of all others, suffers grievously. This has been long felt by leaders and more and more attention is being given to the all important task of devising and carrying out a Scheme of National Education.

I know that many of you are impatient, and rightly impatient, at the delays. But you must not judge the leaders too harshly. You should help them, instead, all you can. The difficulties in their way, the many and distracting demands upon their time and energies, are very great. Then, so many have been imprisoned. That the Indian householder should pay heavy taxes to the Government for the education of his children among other things, and should again have to supply money to others for that work, because the bureaucracy, with its alien interest is disloyal to the Indian People and faithless to its salt, and does not do the work for which it is paid, but misappropriates and embezzles enormous portion of these taxes for worse than wasteful purposes. This is very hard for the householder. Yet he is trying to find the money.

#### A SCHEME OF NATIONAL EDUCATION

And others are trying to think out a proper Scheme of National Education. The outlines of it are to be found in the older literature. They have to be carefully modified and applied to modern conditions. The most ancient lawgiver of India recognised and realised the fundamental importance of the Educational Department of the national life so strongly, that after a first chapter in the way of a table of contents and some preliminary observations, his great work, the MANU SMRITI, plunges at once into rules and regulations

regarding the BRAHMACHARYA-ASHRAMA and the duties of student and teacher.

Even in the West, thoughtful persons are beginning to find out and say and write that A PHILOSOPHY OF LIFE ought to govern the theory and practice of Education. The East, at least India, has had a clear philosophy for long, though that philosophy has latterly been much misused and abused. In the past, the application of that philosophy and psychology to the administration of human affairs seems to have constituted the practical arts of civics and economics and politics, as the application of the laws and facts of physical science becomes practical engineering and manufacturing of all kinds.

As Manu says :—

“Thought, mind, consciousness, is behind and round and underneath all this world which we designate as THIS. He who ignores the science of psychology, he misses all the VALUES of all activities.”

Practice without theory is action without aim, is housebuilding without foundations. Yet this is a very common mistake. People are running with much excitement after the word Swaraj to-day, without any clear idea of what it means or should mean for us.

It is to be hoped that the important non-official Nationalist Colleges and Vidyapithas, Seats or Centres of Learning, which have been working for some years, more or less successfully, or have surged up recently on the great wave of reaction against our political slavery, which wave has been shaking the land for the last four years—it is to be hoped, and efforts are being made, that they should jointly organise a Committee for planning out a workable Scheme of National Education.

#### THE GOVERNING PRINCIPLE

The governing principle of such a scheme must obviously be that Education should be cultural as well as vocational and technical ; should be intellectual and æsthetic, moral and religious, and also physical ; should subserve the life here as well as the life beyond, should minister to human happiness in DUNIYA as well as AQIBUT, in IHA-LOKA as well as PARA-LOKA. In the old words of the Indian tradition, it should teach the student how Dharma, Artha, Kama, and Moksha, or Virtue, Profit, Pleasure, and finally Salvation, can be achieved.

When such a Scheme of National Education has been drawn up, and is tangibly presented to the Indian People, then, there is reason to hope, funds will be supplied by that people, impoverished and overburdened with taxes as it is, to establish gradually, such a number of non-official educational institutions, conducted on national lines, in the real interests of our younger generation, as will make it unnecessary for a large proportion of our student population to resort to the official schools and colleges which are under the thumb of the Bureaucracy, and wherein the Ancient

Indian principle is reversed, so that Brahmana-Wisdom is ordered about and servilely subserves the Kshattriya-Sword which in turn is servant to the Vaishya-purse and enables it to exploit the Sudra Labor, instead of the Sword being guided and directed by Wisdom to protect the Purse to feed Labor.

In the meanwhile, such of you as have not the opportunity of doing any useful national work, or of joining a national institution, and find that they ought to carry on these studies anyhow—such of you have to gather knowledge where you may, and wherever it may be available, but always with the motive of the ever fuller service of the motherland at your heart. The fire of that noble aspiration will burn up all the dross of slave-mentality and false ideals that may be given to you, in those places, together with the genuine gold of knowledge.

"Even if he be full of ill-behaving, but loveth ME with a undivided love, then let him be regarded as a good man, for he hath set his foot on the right path and resolved rightly. Soon will he cast off his ill and restless ways and find lasting peace. Thou mayest promise to all on MY behalf that he who loveth ME perisheth not."

#### CONCLUSION

In conclusion, my very dear young friends, I will repeat to you, with some slight change, the ancient scriptural injunction to the student:—

"Honour the teachers who love you and seek your welfare and endeavour to improve your mind and body by precept and example ; love your mother and the Motherland with all your heart ; seek and gather and spread true knowledge ; ascertain and act the right action ; above all, search diligently for and study and attain to your own true-knowledge, Self-knowledge, the knowledge of the Higher Self." For when you have attained SWADHYAYA, Self-knowledge, you will know what SWA-DHARMA, your own-right duty, is ; and you will live accordingly. And when you do that, then you will achieve SWARAJ, Self-rule, the rule of the higher Self over the lower self, the rule of the wise and the good, the elect and the select, the loved and the trusted, over the whole Community. Swa-dhyaya leads to Swadharma, and Swadharma leads to SWARAJ.

#### Resolutions

The following resolutions were passed :—

1. This Conference places on record its deep sense of profound gratitude for help given to the cause of the students by Mahatma Gandhi, the embodiment of self-renunciation.
2. This Conference records its deep sense of loss at the passing away of Babu Moti Lal Ghosh, the great patriot and veteran journalist, and prays to the Almighty Father for the peace of his departed soul.
3. This Conference records its deep sense of gratitude for the splendid service rendered by Acharya P. C. Roy, and greatly appre-

ciates his noble services in connection with the relief work in Bengal.

4. This Conference records its emphatic condemnation of the inhuman treatment accorded by the Bureaucracy to Lala Lajpat Rai, the first President of the All India College Students' Conference.

5. This Conference extends its hearty congratulation to all students who suffered at the hand of the Bureaucracy in the cause of the Country.

6. This Conference places on record its deep appreciation for the sacrifices made by the students of India leaving the official colleges for helping on the work of the Congress and maintains it as the ideal standard that they should endeavour their utmost to respond to the call of the motherland and calls upon all the students to stand shoulder to shoulder as best as they can and systematically promote a Spirit of Self-Sacrifice and Patriotism among their brotherhood and lend all their possible and practicable support to expedite the cause of the Nation's fight for Freedom.

7. This Conference requests the Provincial Federations to direct their attentions to the following programme of work :-

(A) Removal of untouchability. (B) Abolition of dowry system. (C) Temperance movement. (D) Encouragement of post puberty and girl's widow re-marriage, (E) Propagation and production of Khaddar. (F) Establishment of Home Industry. (G) Organised action to help the Nation in the struggle for freedom as far as possible.

8. This Conference feeling keenly the necessity of one common language, other than English, in India re-affirms its last resolution requesting the Students to learn Hindustani and to popularise it as far as practicable.

9. Resolved that this Conference is not given to any party politics.

10. This Conference fervently appeals to all the leaders to introduce the study of higher commercial and industrial education in India.

11. This Conference requests all the students of India to use only hand-spun and hand-woven cloth to solve our economic difficulties.

12. This Conference requests the General Secretaries to submit the accounts of the year 1921 and 1922 separately to the sub-committee consisting of the following gentlemen and requests the said sub-committee to submit a report to the standing Committee of the A. I. C. S. Conference within three months and resolves that the General Secretary of the S. C. of last session, held at Ahmedabad, be asked to explain why the accounts of the last year were not submitted to the General Secretary and requests him to do so at an early date,

Names—1. B. Bhagwan Das—PRESIDENT.

2. B. Yogesh Bhattacharya—SECRETARY.

3. B. Nathuni Lall

4. B. Mrityunjay Pal } Members.

5. Mr. Shastry



# THIRD SESSION OF THE All-India Trade Union Congress

**LAHORE—24TH MARCH 1923**

The Third Session of the All-India Trade Union Congress under the presidency of Mr. C. R. Das was held on the 24th March at Bradlaugh Hall, Lahore, before a fairly large audience. More than a hundred delegates, mainly representatives of the numerous Railway and Port Trust Unions, and of the Provincial Labour Unions, attended from various parts of India. The 2nd Session was held at Jharia—See I. A. R. 1922, Vol I,

Mr. N. M. Joshi of the Servant of India Society, and the official representative of Labour at the International Labour Conference, took a leading part. Besides labour delegates some prominent Congress and Khulafat leaders were present including Pandit Motilal Nehru, Mrs. Sarojini Naidu, Bi Amman and Mr. Santhanam.

## Chairman's Address

MR. K. L. GANHA, Chairman of the Reception Committee, read his welcome address. He dealt with the question which was frequently addressed to him: "Is there a labour problem in India", and replied that in no country in the whole world, excepting China was the labour question more important. He asked the audience to look at the spectacle of yearly famines bringing in their death trails epidemics where victims were numbered not in thousands but in millions; to look at the ill-fed, ill-clad and ill-homed men, women and children, poverty-stricken masses, a peasantry steeped in ignorance and devoid of the ordinary necessities of life—and whether or not there was a labour problem in India. The capitalists of Dundee and Manchester were growing fat on the sweat of Indian labour, while here workmen were denied the ordinary amenities of human existence. Indian capitalists and landlords as well were no less bloated and unconscious of the legitimate rights of their employees. The Labour movement in India was a part of the world-wide movement. The age of oligarchies and aristocracies was gone and the day is coming when the Government will be truly democratic. Many countries are governed to-day by Labour parties and the day seems close at hand when a Labour Prime Minister will be at Downing Street. The aim of their Labour party was Swarajya for the masses. He then reiterated the idea that Labour should not be entangled in the political movements of the country and pointed out that the politics of any country were problems of the mass of its citizens, and between economic conditions and political conditions there was little difference. The capitalists make and unmake Governments, create

wars and internecine strifes between communities, and the poor workers have invariably to pay the bill of misfortunes for the follies of the rich. Then why should they not have a voice in such matters? He then criticised the Government for its half-hearted measures and pointed out that the Workmen's Compensation Bill gave no protection, and the recent Factory Acts aimed at making industry more difficult in India and in no way improved or safeguarded the lives of the workmen. The attitude of the Government in the strikes at Jamshedpur and Jharia and in the debate on the Mines Act was disappointing. In conclusion he pointed out that the great task before the country was that of the organization of the masses with a view to their economic and political salvation. If they could be educated to their rights, all unnatural divisions of caste, creed and sect, inequalities of birth and opportunity would disappear and Labour would be a bulwark against all trespassers upon the Nation's liberties and the Government would be compelled to recognise the aspirations of the people of India.

Mr. Joshi proposed the election of Mr. C. K. Das as President and Mr. Miller, Prof. Kuchiram and others supported the election. Mr. Joshi dwelt upon the cosmopolitan character of Labour which took no account of the race or the religion or the social views or the political complexion of an individual.

Mr. Miller criticised those who said Labour had nothing to do with politics and pointed out that without labour participation and active help there could be no salvation for the country.

Prof. Kuchiram vividly described the village republics and the village organisations of India which had succumbed to the commercial exploiters' stroke, of the poverty of the country and pleaded for Swaraj for the masses.

Mrs. Naidu in an impassioned speech pleaded for giving 98 per cent of India's population a human status and an equal place in the nations of the world. She dwelt upon the ill-fed, ill-clad labourers in the slums of Bombay, but said she was against indentifying Indian Labour organisations with those in the West. The Indian Labour Movement should have a distinct character of its own. It included agriculturists who were India's real citizens. She feelingly pointed out that their treatment of the untouchables had made them untouchables in the eyes of the world. Swaraj could only be secured on the liberty of the masses.

### The Presidential Address

Mr. C. R. DAS, taking the chair, delivered an extempore speech vigorously defending the labour organisations in India and inviting political leaders to elevate the labouring classes and peasants in India. I assure you, said Mr. Das, there is not one man in India who feels more for labour to-day than I do. The question was asked, what is the necessity of the Labour movement. I had received a number of letters to-day asking the same question. My answer

to them is that Labour represents 98 per cent of the population in India. Labour includes peasants in India. Does any body mean to say that the vast population of this country require no organisation? 98 per cent of the population are ill-fed. Their lives are a long-drawn struggle. To quote the words of a Lt. Governor, two per cent of the population in India cannot win Swaraj. In the place of White men you will have Brown men. To my mind a bureaucracy is a bureaucracy, whether it is a white bureaucracy or a brown bureaucracy. That is why I have always claimed Swaraj for the masses. Democracy has never yet been tried in the world. Swaraj must be for the entire population and not for any particular class, however gifted that class may be. Nowhere in the world, in not a single country in Europe, have you got democracy. Whenever there is a strike the Military is called in. Do you ever realise what an ill-fed population means? It means a diseased population. What right has the Government and the middle class to say to the vast population of India that you will not be allowed access to knowledge and culture?

Mr. Das then condemned the system of "begar" in strong terms and said "I cannot conceive of a greater insult to 98 per cent of the Indian population." The bureaucracy says, "We are the trustees of the people in India, we are generous, we will look after you." The middle class in India also want to say the same thing to the labourers. There is some affinity in nature between them and us who claim to be the trustees of the people. Against this I desire to raise my solemn protest. I do not care one straw for that self-government, if that self-government was not won with the co-operation of all classes of people. What happened in France after the French revolution? Power was transferred from monarchs to the middle classes. 98 per cent of the population in India are everything and the country belongs to them. If the middle classes ever won Swaraj and if I live to see that day, it will be my lot to stand by labourers and peasants and lead them to wrest power from the selfish classes.

I refuse to believe that the common people of this country are unfit to take part in politics. I would refuse to take part in such politics where the people hold such views. We repeat the same thing which the bureaucracy says to the peasant and labourers and say "You are not fit to take part in politics." Real politics is there where there is hunger, where people go naked, where people toil from day to night to keep their body and soul together and not in clubs, not in fashionable societies, and not in liberal associations.

Continuing Mr. Das said that he could not find a class more peaceful than the labourers in India and asked his hearers to hasten with their work with labourers and peasants. He attached the greatest importance to labour organisation without which the cause of Swaraj was bound to fail. The time has come, said Mr. Das, when we should say boldly that labour organisation was absolutely necessary for Swaraj. It shall be insulting to God if we take the view

that labourers should be left where they were. After all, what is freedom? The object of freedom was to develop our true nature. The idea of freedom was dependent on Self. We must depend on that great Self of the Indian nation. Mr. Das asked the labourers of India not to ask for special franchise and requested the Trade Union Congress to turn out the spies and Government agents who had infested labour organisations.

Mr. Das concluded :—"It was my misfortune to force the labour resolution at the Nagpur Congress (see I. A. R. 1921) on unwilling delegates and I find that it has not been acted upon up to this day. I call upon you to-day to steer clear of all Congress and Conferences and take to your own work. Your own hands must construct the temple of freedom. I call upon you from to-day to feel within your heart of hearts that you are the real proprietors of India. You should feel that yours is the right as it is your duty to bring freedom to India. I press this obligation upon you and may God give you strength to carry on this struggle to victory."

## Resolutions.

*2ND DAY—25TH MARCH 1923.*

Next day the All India Trade Union Congress re-assembled under the presidency of Mr. C. R. Das and adopted a number of non-contentious resolutions, of which the following are the important ones :—

(1) This Congress thanks the Workers' Welfare League of India for the services rendered to the Trade Union Congress in the cause of Indian Labour and resolves that a separate fund should be created for the support of Indian Labour.

(2) Resolved that this Congress is of opinion that the war has proved very detrimental to the labouring masses in general and therefore advises them not to take any part in waging war in future so as not to help any of the belligerents in any shape or form, especially so if the war is waged unjustly.

(3) Resolved that steps should be taken to put an end to the system of 'Begar' or forced labour and the system of procuring forced supplies from rural areas wherever it prevails, whether in British India or Indian States.

(4) That this Congress recommends to the Executive Committee to appoint a Sub-Committee thoroughly to investigate the whole question of taxation in India from the worker's point of view.

(5) That the resolutions passed by the Congress Labour Committee be noted and this Congress resolves to request the Working Committee of the Indian National Congress to make over the sum of Rs. 40 thousands mentioned therein to the General Secretary of the All India Trade Union Congress Committee of the Trade Union Congress.

(6) That this All India Trade Union Congress is of opinion that retrenchment in railway staffs will cause hardship to specially trained labour and will create dissatisfaction and unrest among the workers and therefore strongly urges upon the railway management to carry out any retrenchment when absolutely required in consultation with the executive of the Trade Union wherever such are available, or with workmen's selected representatives where the Trade Unions are not organised.

(7) That this All India Trade Union Congress is of opinion that deletion of the clause requiring certified engineers to be in charge of Steam Boilers Inspection Act as revised in the present year will hinder the spread of higher technical education amongst Indians which is so necessary for industrial development of this country and urges the necessity of re-instatement of the clause.

### *3RD DAY—26TH MARCH 1923.*

The All-India Trade Union Congress concluded its session on the 26th March, 1923 after passing another batch of resolutions. The attendance was rather thin this day, and most of the resolutions were either put from the Chair or moved and carried without much lengthy discussion.

The resolutions passed urged the authorities to introduce legislation for provision against unemployment, old age, and sickness, protested against non-fulfilment of the terms of settlement during the last strike by the management of the Tata Iron and steel Co., condemned the action of the legislature in postponing abolition of the underground women labour in coal mines, and demanded 25 per cent increase in the wages of miners in Behar.

In bringing the Congress to a close Mr. C. R. Das made a short speech, and said that he hoped that the few years which remained to him would be production of good to the country and that the real proprietors of the country, namely labour, would soon realise their position and fight for the freedom of the country.

# All-India Christian Conference

LUCKNOW—27TH DECEMBER 1922 961

The All-India Conference of the Indian Christians opened its session at Lucknow in the Issabella Thoburn College Hall on the 27th December under the presidency of Mr. S. K. Datta. The Conference commenced with a 2 minutes' silent prayer. Delegates and Visitors from every province and Indian Christians from every part of India attended.

## CHAIRMAN'S ADDRESS

Reverend J. R. Chitamber, Chairman of the Reception Committee, referring to the present agitation in India remarked that while the Non-Co-operation movement had failed in some of its phases the movement itself was not dead nor was it going to die easily. They were in sympathetic agreement with certain aims and objects of Mahatma Gandhi's programme as, for example, abolition of liquor traffic, removal of illiteracy and untouchability, and furthering of the cause of female education, and similar other things. The speaker strongly urged that the Indian Christians should take an active part in the present agitation in consonance with the principles of their religion and make their influence felt as the true sons of the earth. They must mix freely with their compatriots otherwise they would soon lose their favour. They must be aroused to a greater zeal and activity and change their attitude. The existing branches of the Indian Christian Association must be made vital and active, the defunct ones revived immediately, and new branches organised. The speaker suggested that their President and other office-bearers must take this matter into serious consideration and visit the places themselves or appoint travelling and organising secretaries to do this important work.

"We are living in critical times", he said. "India has been hurried into a vortex of conflicting ideas and ideals. The chaos is bewildering and one often wonders whether our country is really progressing or retrograding. But one thing is certain and it is that India is not satisfied with her present condition and is longing and struggling for independence and advancement. In my humble opinion while certain phases of the Non-Co-operation movement in the very nature of things are bound to fail, they have already failed, the movement itself is not dead nor is it going to die easily. Already the fire has been kindled and it is not easy to extinguish it."

'Even the villagers have been and are being affected by it. Mahatma Gandhi's programme is before public eye, and we are in sympathetic agreement with some of its aims and objects.

"I feel most strongly that while we are not for Non-Co operation but for Co-operation; not for revolution, but for evolution, and while we will not compromise our religious principles, come what may, we cannot afford to stand aloof at this time. The present feeling of apathy or lethargy so noticeable in many quarters in our community will in the long run be suicidal to our interest. To my mind it is responsible to some extent for the present insignificant position of our community. We are left alone because we have, in many instances, chosen to be left alone. I would strongly urge that the Indian Christians take an active part in the present agitation in consonance with the principles of their religion and to make their influence felt. How can they, as sons and daughters of India, their beloved motherland as well as of the non-Christians, do otherwise? Is not India the land of their birth and adoption? Are they not literally bound up with her future? Are they not flesh and blood of the rest of the people of India? As true "salt of the earth" they must mix freely with their compatriots, otherwise they will soon lose their 'savour'."

The speaker declared that he for one was not a very enthusiastic supporter of communal representation. He asked, "Even if we get it in the various boards, councils and assemblies, what can we do against the overwhelming majority unless we enlist their sympathies through co-operation?"

### PRACTICAL SUGGESTIONS.

In this connection he offered three practical suggestions to his community :—

"(1) The Indian Christian community must not succumb to the temptation to selfishness and worldliness or materialism. It must always keep its head high and follow high ideals of religion and life as we find them in life and precept of our Lord and Master.

(2) The Indian Christian community must be aroused to greater zeal and activity. They must change their attitude.

(3) They must train their young people for service and leadership.

India's greatest need at this transitional period is men, men of character, men of sober and level-headed judgment, men whom prejudice, hatred and self-interest cannot touch and men who "forgetting those things which are behind and reaching forth unto those things which are before, will press towards the mark."

In conclusion the speaker said that they must train their young people for service and leadership. They must afford them every facility, financial and otherwise, for legal, medical, technical and academic education and the training of the highest type and imbue them with the idea that there was no greater honour that they could attain than the honour of serving their Motherland.

#### PRESIDENTIAL ADDRESS.

Addressing the Conference Dr. Datta, the President, remarked that in its early days the All India efforts of the Indian Christian Association were only limited to the expression of loyalty at coronations and similar functions but since the war the interest had been far wider. Firstly, the reforms led the Christian Community to enquire what place they would occupy in the new legislatures. The next great political upheaval of the past year had had effects on them along with the rest of Indians. Referring to Mr. Gandhi the president said, "in a way Mr. Gandhi is the greatest of the Indian Christian of to-day. His doctrine of non-violence was fundamentally Christian and had transformed the sinister factor of the anarchical movement of young Bengal." He believed that the duty of his community was to obtain the release of Mr. Gandhi soon. The Indian Christians had share in the Non-Co-operation movement. Some of them, he said, had been imprisoned and the recent attitude of the Indian Christians definitely indicated that they must take their share in Indian politics as they formed a part and parcel of the Indian body-politic. The President then emphasised that the Indian Christians should not identify themselves with any party but should espouse all righteous causes at whatever cost.

Going into the details, Dr. Datta said his community should interest itself in (1) the prison reform as the recent outbreaks in different jails indicated grave defects that way, (2) checking the spread of prostitution which was becoming a menace in great industrial centres in India everyday. As India was growing a more industrial country the menace was becoming the worse. (3) Next there were the questions of temperance, emigration, and forced labour etc. These problems the Christians should handle in a constitutional way. Referring to communal representation the President expressed his views as being opposed to such invidious distinctions since they were detrimental to the national solidarity and progress. Dr. Datta remarked that a part of Mr. Gandhi's Bardoli programme was worth attainment such as temperance, uplifting of the depressed classes and giving up untouchability etc. Such tasks the Christians had already commenced.



Regarding Swaraj he said that the term was misleading. What might be Swaraj to one race might not be so to another. What might be Swaraj to one class might not be Swaraj to another. The leaders must place before the country some scheme of compromise of all interests. Dr. Datta did not believe that the Near East trouble was the struggle between the Cross and the Crescent. It was the just growth of a new nation, the young Turkey. He hoped the Turks would behave themselves in a gentle manner in regard to the Christian minorities under their sway. The President ended by an appeal for better education among their community which should not merely be first in literacy but also in real education.

The Hon'ble Mr. Chintamani who was a visitor at the Conference was next asked to speak. He expressed the same views as Messrs. Chitambar and Datta. About communal representation he remarked such distinctions were more detrimental to the interests of the minor community than conducive to its welfare. It only alienated the sympathy of other communities from it.

The Conference then adjourned.

## The Resolutions

At the next day's sitting of the Christian Conference six resolutions were moved and carried. One ran as follows:—That this conference desired to record its gratitude for the great services rendered by the Right Hon'ble Mr. Sastri in the course of a long itinerary in the dominions but strongly protests against the un-Christian attitude of British dominions and Crown colonies against Indian residents.

The second resolution was that the Conference, while fully recognising the invaluable services rendered by Mr. Gandhi to the country in the infusion of a new spirit of self-respect and political consciousness of the masses and by inculcation of some fundamentals of Christian ethics, disapproves and deprecates the programme of Civil Disobedience, boycott of Councils, Schools and Law Courts.

The third resolution expressed satisfaction at the Congress reconsidering the question of council entry and opined that the following of the constructive programme in councils was the most practicable way for the attainment of Swaraj.

Another resolution recorded the need of a thoroughly conducted journal to voice Indian Christian opinion and safeguard its interests.

Next day only one resolution was discussed and passed. Miss Maya Das moved that the conference strongly recommends extensive use of home-made goods in the true spirit of true Swadeshim rather

than that of boycott based on racial grounds. It recommends to Government speedy introduction of measures for the economic uplift of the people and fostering of co-operative societies and that this conference strongly favours development of Cottage Industries in Indian Christian homes and recommends the use of Charka wherever possible.

At the concluding meeting of the Christian Conference on the 30th, the attendance was comparatively meagre but the discussions were heated. The following resolutions were discussed and carried :—

#### INDIAN MILITARY.

That the Conference strongly condemns the present Indian military policy. It recommends drastic retrenchments in this direction. It is of opinion that one of the best means for the attainments of this object is through increasing Indianisation of the military services and the extension, improvement and popularisation of the Indian Territorial Force. The Conference draws the attention of the Incheape Committee to this pressing problem.

#### MR. GANDHI'S RELEASE DEMANDED.

That while not agreeing with the views of Mr. Gandhi in their entirety, yet considering the saintliness of the life, eminence and sincerity of his leadership and bitterness created in the country over his detention, the Conference urges upon the Government the desirability of his early release.

#### COMMUNAL REPRESENTATION.

That the Conference views with alarm the increasing bitterness of intercommunal jealousy in India and believing that the principle of communal representation, specially when based on communal electorates in the council and local bodies is contributive of its prolongation, recommends to the Government the discontinuance of communal representation, if possible, and communal electorates at any rate. It appeals to the Congress, the Liberal Federation, the Muslim League and other national and communal organisations to strengthen the hands of the Government in the matter by passing resolutions condemning the system of communal representation, specially when it is based on communal electorates, as opposed to the best interests of the Motherland.

The Conference then broke up.

## SPECIAL SESSION OF The Central Sikh League

*AMRITSAR—24TH JUNE 1923*

The Special Session of the Sikh League, revived after 2 years, was held again on the 24th June, 1923 at about 8 p.m. in the Jallianwala Bagh, Amritsar. There were about 160 delegates, 100 members of the Reception Committee and some 1000 visitors with about 200 ladies. Pandit Jawahar Lal Nehru, Dr. Ansari and others of the National Congress party attended.

### CHAIRMAN'S SPEECH

Sardar Dan Singh of Wachhoba, Chairman of the Reception Committee, read out his address in the course of which he said that the Sikhs should also fight for the country and should maintain unity with other communities. Regarding Council entry which has since the Gaya Congress been agitating the country, he observed that Councils could hardly bring them freedom.

The address opened with an apology for the short notice and shortcomings in the arrangements. Twenty days before no one knew that the Session of the Central Sikh League would be invited to Amritsar. The respected leaders of their community thought it advisable to hold the sessions on the occasion of the *Kar Sewa* when huge gatherings of Sikhs were expected. He drew the attention of the audience to the troubled times in the whole of India when the country lay prostrate in political and religious matters, and the life of both the rich and the poor was unsafe. At that particular time the great Guru Gobinda Singh Ji came to our rescue and set a glorious example which is astounding the whole world of to-day. They had forgotten the great ideas set by Him. The Chairman suggested that there was no use crying over the past and the only solution of getting over the present day difficulties was to place themselves at the feet of the Great Guru. He exhorted the audience to take concerted action in all matters concerning the welfare of the country. The pure blood of the Jallianwalla martyrs preached the same gospel. They should eradicate the seed of inter-communal discord which was sapping the very foundation of their national existence.

Swaraj, the speaker said, was not to be obtained through the Council Chambers but by lives of simplicity and purity as preached by Mahatma Gandhi. The younger generation had taken to that ideal and had realised that salvation lay that way. When he saw youngmen making sacrifices in the cause of the motherland, he felt confident that the great mission of Mahatma Gandhi would attain success. Councils were the symbols of slavery rather than liberty, of death rather than life, of ostentation rather than reality. Pure and simple living and love of humanity could alone bring about a realisation of their aspirations. He emphasised the necessity of wearing khaddar which was symbolic of their soul-force and their self-reliance.

He then referred to the situation in the Doaba and drew their attention to the sufferings of their many innocent brothers in Doaba or elsewhere. He deprecated the doings of a few misguided persons there. The right way was the way of non-violent Non-co-operation. The present strength of the country was due to the sufferings of Sardar Kharak Singh, Sardar Jaswant Singh, Mahatma Gandhi, Dr. Kitchlew and other high personages. In the end he appealed to the audience that they had undertaken the mission of achieving salvation for the country and in achieving the object they will have to face countless sufferings, and make sacrifices of all sorts. He appealed to every Sikh to vie with each other in national service. He closed his address with "Wahi Guru Ji ka Khalsa and Wahi Guruji ki Fateh."

#### ELECTION OF THE PRESIDENT.

Sardar Buta Singh of Sheikhupura in a short speech then eulogised the service of Master Sunder Singh Lyallpuri, in the cause of education, in Lyallpur and Shiekhupura, and recounted his work for the Akali Paper and his sacrifices in connection with his going to jail. He then proposed him for the presidentship of the session.

The election of the President was acclaimed with shouts of "*SAT SRI AKAL*" from the whole of the audience, and Master Sunder Singh was then installed in the Presidential Chair.

#### Presidential Address.

The President then began his address amidst deafening shouts of *Sat Sri Akal*. He commenced with a *Shabad* from the Sikh sacred book and congratulated Mahatma Gandhiji for espousing the cause of freedom and truth. He also congratulated Sardar Kharak Singh, Lala Lajpat Rai, Maulanas Mohd. Ali and Shaukat Ali for their courting imprisonment for the cause of national emancipation. The present session, he said, had been held after years as the Jullundur session had to be postponed owing to the arrests of the

organisers. This period was an epoch-making one for various reasons.

The first of the important events of the said period was the sudden appearance of Baba Gurdit Singh of Koma Gata Maru fame at Nankana Sahib after the efforts of the police had been baffled for many years. He depicted in glowing words how the Baba Sahib delivered a speech there and how he marched for arrest like a bridegroom in a marriage party and how he eventually delivered himself bravely into the hands of the police. The President then related the story of his release and subsequent arrest on 7th March, 1922, his trial under Sec. 124, I.P.C. and the demand of his papers and official files and of his own money and accounts from the Government which were refused by the Magistrate, and latter on his conviction to 5 years' imprisonment. This whole story revived old memories and sent a thrill through the whole audience. The second event of note was the Keys affairs when the Government on 7th Nov. 1921, after having inspite of its being handed over the possession of the Golden Temple to the S. G. P. C. took the Keys back. The news of this action came like a bolt from the blue. The President then drew the attention of the audience to the arrest of two hundred men along with Pandit Dina Nath who were later on released with the exception of Pandit Dina Nath. In the end the Government had to admit its defeat and hand over the keys to Sardar Kharak Singh, President of the S. G. P. C. The Government wanted to please the Sikhs, so that they might take part in the reception of the Prince of Wales, but the Sikhs were not to be cajoled so easily. The visit of the Prince of Wales to Amritsar had to be abandoned. The first Govt. defeat came in connection with the Gurdwara Rakab Ganj and the second one in the matter of the Keys. The third event of note was the repression of the Congress propaganda when the Congress Volunteer Corps were declared unlawful under the Criminal Law Amendment Act. Thousands courted the arrest and cheerfully went to jail. Very important work was about to be commenced at Bardoli when the events at Chauri Chaura smashed all our hopes. Mahatmaji made a wrong estimate of the people when he thought that they were not ready for launching out a campaign of Civil Disobedience. In taking a retrograde step at that time Mahatmaji committed a great political blunder, and the whole work done by Mahatmaji came to a stand still, but the Sikhs went on ceaselessly, and there came the next most important event of Guru-ka-Bagh.

The President then began to describe the sufferings undergone by the Akalis in connection with the Guru-ka-Bagh with a detailed narrative of all the events that led up to the final victory of the

**Akalies.** He described how the possession of the Gurdwara with the adjoining land was given to the S. G. P. C. by the Mahant, how they used to cut the trees, how later on the last tree was cut and arrests made under the orders of the Deputy Commissioner, and how the convictions of the innocent Akalies took place. He detailed the beating and read out the list of the injured prepared by the S. G. P. C. He then read out the statements of Hakim Ajmal Khan, Pt. Mulviyaji and Mr. C. F. Andrews that were issued by them during the progress of the struggle. He thanked all the communities and specially Pandit Mulviyaji, Mrs. Gandhi and Swami Shradhanand, for their invaluable help and expression of sympathy. The President felt sorry for the non-publicity of the report by the Guru-ka-Bagh Enquiry Committee of the Congress. The intercepting of the S. G. P. C. correspondence, prohibition of the supply of provisions for the Guru-ka-Bagh Langar inspite of promises of non-interference in matters of religion, the cruel beating to death of a man and his son who expressed ignorance as to the whereabouts of a donkey laden with supplies and the ruthless beating of jathas of Akalies who visited Guru-ka-Bagh, were all detailed and deplored. Instances of justice administered by courts and the method of realising the fines were mentioned and deprecated. He sorrowfully referred to the incident of the most callous over-running of Akalies at Panja Sahib. He eulogised the brave Khalsa for their untold and indescribable sufferings and felt proud of them.

Next the President dwelt on the innumerable hardships of the Akalies in the jails. He made a special mention of the removal of the turban of their revered leader Sardar Kharak Singh and the disallowance of Granth Sahib, their Sacred Scripture, in contravention of the jail rules. He described in detail how the Akalies were subjected to harsh treatment and were compelled in various ways to submit apologies. Arrangements in the jails for proper clothing and feeding were far from satisfactory and many an Akali died owing to bad treatment, poor nourishment and inclemency of weather. He expressed sorrow at the official excesses and praised and congratulated the people for suffering all the privations without a demur. The next event of note was the uncalled for and ruthless beating of the Akalies at Rawalpindi; for their so-called offence of travelling without ticket, although the Akalies had purchased new tickets as required by the railway authorities. When the people from the city came with food for them they were ordered to leave the precincts of the railway station. The visitors were at first turned out and kicks were used against the Akalies who, unable to bear the insult, sat down.

The Police threw a cordon round them and in spite of the expostulations of one man that he would be responsible for the Akalies going out in peace, a bayonet attack was ordered and the Akalies were mercilessly belaboured and dispersed. The President condemned this action of the Government and congratulated the people for their non-violent behaviour and bearing all the hardships without retaliation.

Kar Sewa on the 17th June and the grand procession in connection therewith was described by the President as proof positive of their Jathabandhi. He congratulated all concerned in the success of that arduous task, but expressed regret at the misguided action of the Gargaj Akalies who had brought disgrace on their fair name.

Speaking about the Sikhs and their part in the Congress movement, the President remarked that December 3rd, 1921 was fixed as the day for the settlement of Sikh rights, but before that time the leaders of the Congress were arrested and the desired settlement had to be postponed. Continuing the President complained that the Sikh colour did not find a place in the National Flag in spite of their repeated requests. This demand of theirs was not based on a desire for military formation or communal prestige but to evince their national existence and unity. The president was of opinion that they wanted a separate colour like the Mohammedans, but they would be content if white colour were retained as representing all communities.

At the time of the Lucknow pact, the President went on, the Sikhs were the favourites of the Government and took no interest in the affairs of the country, and as such lagged behind the other communities in national service, but now the Sikhs had wiped out that blot from their name, and were ready to fight side by side with other communities in ending the slavery of India. If Englishmen could come and rule here, what was there to deter them from ruling themselves. The Sikhs were lions and wanted to play the part of lions in Congress work. The weakness of the Congress was an invitation to the Sikhs to come forward and establish peaceful relations between the Hindus and Muslims. If the Sikhs failed in that and Hindu-Muslim relations remained strained, the Government would destroy them all. He exhorted the people not to forget the *Ramnaumi* scenes of fraternal relations between the Hindus and the Muslims and the cementing of the unity with the blood of the Jallianwalla martyrs on the 13th April 1919. Religion should not be thrust into political

matters, for slaves had no religion. The struggle for the removal of the Lawrence Statue had failed because of Hindu-Muslim differences and if the present state of affairs was allowed to last any longer the work so far done by the leaders of the country would be all undone.

As regards the Patiala-Nabha Controversy both the Maharajas had earned a bad name because of that controversy and the President appealed to them not to indulge in such mutual attacks in future.

The President emphasised that the Government boasted of their friendship of the Sikhs which they claimed began in the time of Maharaja Ranjit Singh and continued up to date. He vividly described how after the death of that Lion of the Punjab, the British attacked the Punjab and removed the minor Dalip Singh on numerous pretexts. All promises made with the minor king were brushed aside, the Punjab was annexed, and Prince Dalip Singh was deported to England where he died in poverty. The Sikhs had helped the Government at several difficult times such as the Afghan war and the great European war, but they were rewarded with the ingress into Canada being prohibited, with the visit of the Sikh Deputation in England having been rendered abortive and with visitations on the promoters of the Koma Gata Maru or Guru Nanak Jahaz.

He next deprecated the Government interference in the matter of their *kirpan*. He said that every government adopted the policy of repression in the name of Law and Order to suppress the people's aspiration for liberty and freedom. No foreign nation, he said, had a right to legislate for another, and if it did it was nothing short of *zulum*. All the present day laws were for the benefit of the ruling nation and helpful to their trade. Their way lay opposite. What was good for the Government was not so for the people and what was good for the people was contrary to the interests of the Government. It was time for the people to awake but if they kept sleeping, many tragedies like the one at Guru-Ka-Bagh would be enacted with impunity.

The President expressed his views against the Council entry in strong terms and said that they should adhere to the programme accepted at the Gaya Congress. The propaganda of non-violent non-co-operation should be spread, broad-cast in villages because non-violent non-co-operation was the sole method for the attainment of Swara.



## Resolutions.

The following resolutions were then passed :—

### COMMUNAL REPRESENTATION.

1. "This special session of the Sikh League urges upon the Congress and the Muslim League either to abandon the principle of communal representation or to grant to the Sikhs in the Punjab more than their due share of rights in view of their political importance."

### CONGRATULATIONS.

2. "This special session of the Sikh League congratulates the Shiromani Gurdawara Parbandhak Committee, Shiromani Akali Dal and the Sikh Community for their unparalleled sacrifices in connection with the Keys Affair and the Guru-Ka-Bagh. The session also congratulates those who received thrashing in Guru-Ka-Bagh and became martyrs and those that were imprisoned and those that rendered assistance for their sacrifices."

### UNITY URGED

3. "This gathering of the Sikh League has observed with pain the Hindu-Mohammedan disturbances and appeals to all the Indians that they should not create tension between the various communities, for without complete unity Swaraj is impossible of attainment."

### PATIALA-NABHA DISPUTE.

4. "It is being rumoured that the Maharaja Sahib of Nabha will be deposed either temporarily or permanently. If the rumours be true the Sikh community strongly opposes this contemplated action.

Principal Jodh Singh in opposing the resolution said that there was a case between the two Maharajas, evidence was recorded and definite enquiry was made. But they did not know anything about the merits of the case. It was not proper for a political body like the Sikh League to take up the cause of one Maharaja without knowing the facts of the case. The action contemplated by the League would not only lower the Sikh League in the eyes of the people but also may prejudice the Maharaja himself whose cause they were taking up. This resolution was passed with 7 dissentient votes.

### BABAR AKALIES' ACTIVITIES.

5. "This Special Session of the Sikh League expresses condemnation at the repression resorted to by the bureaucracy under cover of Babar Akalies in Doaba, and congratulates the inhabitants of Doaba on their remaining firm and resolute in this time of adversity. This Session suggests that a Sikh Committee be appointed to help the dependants of the suffering Sikhs by collection and distribution of funds. The session further deprecates the violent activities of the Babar Akalies."

The resolution was proposed by Ranjit Singh Tajwar, General Secretary, Reception Committee and was seconded by Sarfar Labh Singh of Montgomery. Principal Jodh Singh in proposing an amendment said that the personnel of the committee should be settled there. The President ruled that that was the work of the General Committee. The Principal agreeing, the amendment was dropped and the resolution unanimously carried.

## RIGHT HAND MAN OF BABA GURDIT SINGH.

All this stage Sardar Diljit Singh, Secretary, Guru Nank Jahaz, otherwise known as Koma Gata Maru gave his DARSHAN to the whole audience. He was garlanded profusely and the shouts of SAT SRI AKAL rent the skies. He made his appearance after 8 year's concealment as he was involved in the Budge Budge affair. He had been living in Amritsar most of this time under the assumed name of Rai Singh, and thinking the present time to be opportune had come out into public. Next, the sons of Baba Gurdit Singh and Sardar Kapur Singh were produced for Darshan. Sardar Kapur Singh was a convict undergoing imprisonment in the Andamans, in connection with the Budge Budge affair. A portrait of Maharaja Ranjit Singh painted by Sardar Kapur Singh while in jail was presented to the President.

## COUNCIL BOYCOTT.

6. "This special session of the Central Sikh League confirms the resolutions RE Council entry passed in the sessions of Lahore and Lyallpur, and strongly urges the Sikhs for a propaganda of Council boycott."

There was a hot discussion in support of the various amendments in which almost all the leaders took part. The supporters of each view urged the adoption of their views most vehemently. In the end, both the amendments were negatived by large majorities and the original resolution was passed.

The President who voted against the amendments then closed the Session.

# All India Social Conference

NAGPUR—30TH DECEMBER 1922

Following the National Liberal Federation's Annual meeting at Nagpur, the All-India National Social Conference of the Indian Moderates' party was held at the same place on Dec. 30th, 1922. Dr. Gour was the Chairman of the Reception Committee and the Hon. Dr. R. P. Paranjpye the President.

## Presidential Address

In the course of the Presidential address, Dr. Paranjpye said :—

"The Social Reforms Conference was started three or four years after the birth of the Indian National Congress mainly under the direction of the late Mr. Ranade, and its sessions continued to be held along with the Congress till the last two years. The reform movement, in the largest sense, that found an expression in Christmas week every year, has recently become so one-sided, at its original source, that most of the original leaders of that movement have had to sever their connection with it, and the movement, when retaining its original name, is in the hands of new men, worshipping new idols and following new methods. There are doubtless a few enthusiastic advocates of social reform still nominally attached to the original movement, like Messrs. Jayakar and Natarajan, and we are glad that they propose to hold a Social Conference at Patna this year, but it is a question whether we are not likely to see even these friends of ours cutting themselves adrift from men with whom they have so little in common and to whom they are attached merely by sentimental ties. We can therefore claim that we represent the real old Social Conference, and are carrying out in spirit the traditions of Mr. Ranade. But as rational social reformers, we do not wish to fight on the right of succession. The very basis of social reform is to do away with the exaggerated importance attached to tradition, prescription, and verbal inspiration so common in our country.

## "NEWLY MADE PATRIOTS."

The need for insistence on social reform is especially great since we see great danger at present of seeing everything that we have so long fought for being submerged under a torrent of sentimentality. Politics, often of an undesirable kind is absorbing the

energies of most of our educated men and women. While lip tribute is being given to words like love, non-violence, unity and the like, the real sentiments and actions of most of these speakers are eminently calculated to rouse the feelings, always dormant in the human breast and so easy to rouse to active manifestation, of hate in place of love, violence instead of non-violence, disunion in place of unity. To enlist large numbers of uneducated and half educated men into the ranks of Non-Co-operators, appeal is being made to sentiment in favour of everything old, eastern or non-European. Such an appeal goes down with many men, and several of our newly made patriots have only such vague ideas as their stock-in-trade. A true social reformer has to fight these ideas, to build up a reasoned conception of social structure, and to take well-thought-out steps for creating this structure. Everything that has outlived its utility should be discarded, and foreign innovations should not be swept aside, but adopted to our own needs. We observe at present a vigorous but insidious campaign against social reform when we see the way in which political propaganda is being carried on.

#### THE ROOT IDEA OF N.C.O.

While I have always held that social reform is far wider in scope than political reform, and, in fact, includes it as well as other kinds of reform, and that a true social reformer must not neglect the political side, it is at present almost impossible to avoid any reference to political controversies while speaking on social reform. I propose to refer to some of these, especially, in their bearing on social reform. Take for instance the root idea of Non-Co operation. This means that we should have nothing to do with the State, that we should start as it were a collateral machinery for social Government, an *Imperium in Imperio*. In the minds of some of its advocates at least, it seems to mean an absence of all Government, a kind of philosophic anarchism. I wonder how many who advocate Non-Co-operation so glibly have really realised all its implications. Philosophical anarchists they certainly are not, as their methods aim directly at restricting the liberty of other members of the community. I do not wish to say a word against Temperance or Swadeshi, but a national Non-co operator or a philosophical anarchist has no right to prevent another having his drink or 'Videahi' cloth if he wants it. For an advocate of reasonable State control combined with as much freedom for the individual as possible, it is permissible to push on measures of State action in the cause of temperance or for the encouragement of Swadeshi industry. It is we who wish to safeguard the State, even though its actual machinery may be defec-

tive, as we all know that it is, and that we are entitled to consider measures for gradual changes for the improvement of that machinery.

### THE LEGISLATURES AND SOCIAL REFORM

In a Social Conference I am not going to deal with the adequacy or inadequacy of the Reforms which have now been in operation for two years. It is agreed that greater voice is now vouchsafed to Indian opinion in all Legislatures, and if Indian opinion is fairly agreed on any measure of social improvement, it is bound to have its way sooner or later. It would be suicidal to leave unused the facilities that are now open to us for getting legislative sanction for measures of our social improvement. Some of the necessary measures cannot be carried out unless the Legislature comes to our aid. Thus, the law will require some modification if some of the measures mitigating the rigor of caste are to be carried out; if a better recognition of the rights of women is to be made; if a more honest administration of religious and charitable endowments is to be ensured; if farther steps are to be taken in the direction of temperance; if the conditions of labor are to be improved and industrial disputes are to be avoided or, when occurring, subjected to arbitration; if measures in the direction of social purity and the abolition or restriction of prostitution are to be carried out. No progress in these and countless other directions, which can be mentioned, can be made unless we make use of the machinery of the State. No amount of platform oratory will enable us to succeed. The absolute failure of the boycott of Courts shows the futility of absurd agitation of this nature. I agree that a good deal of public agitation is necessary for the purpose, and a Conference like this is one of the ways for it. But the coping stone to such an agitation is to be laid in our Legislative Councils, and in fact the Legislative Councils themselves can be used as the means of focussing public attention and preparing public opinion for the passing of the necessary measures. It has often been said that in India, contrary to what is seen in other countries, social reformers are Moderate in politics, and that political revolutionaries are social reactionaries. While the remark is not altogether true there is yet a sufficient element of truth in it to require elucidation. As our political extremism is directly tending to weaken the State which the social reformer considers necessary for the working out of his ideas, he will have nothing to do with such extremism. The political extremist is blind to everything but defects in the machinery of the State, and wants to reduce it therefore to impotence. The social reformer wishes to achieve his objects with the help of a strong State, and while not closing his eyes to defects in its organisation, is

equally alive to other causes for our lagging behind in the race of civilisation.

Consider for a moment the problem of caste which, in my opinion, is the most important problem of Hindu India, if not of India itself. Any rational reformer, who bases his structure of ideas on equality of opportunities for all, must in theory be opposed to caste as an institution. In the political field he is a strong advocate of such equality when he agitates for the abolition of racial distinctions, for the Indianisation of Services, and in fact for Swarajya, nebulous though his ideas may be on the subject. But an average Non-Co-operator, when pressed to speak on this subject, which he it said in passing, he generally avoids, will immediately begin to talk of practical considerations, the necessity of gradual action, racial and hereditary influences, and perhaps even of vested interests. His cock-sureness in political discussions will desert him immediately. Often he confesses himself an orthodox, sometimes a Varnashramist, generally he refuses to consider the question at all, saying that caste has nothing to do with politics. The man who shows the supreme contempt for all law and is keen on starting a campaign of civil disobedience, immediately begins quoting passages from sacred books which he probably only half understands, as if these books whose injunctions cannot be altered at any time by any agency should be implicitly followed while the civil and the criminal law of the land need not. To me, and I hope to a large number of social reformers, these are of the same class; none of them are perfect; but while the former are not susceptible of improvement, the latter are. My tendency, therefore, is to regard the former more and more as historical records which have almost out-lived their day as absolute guides to conduct in these modern times, which were not dreamt of by their authors of three thousand years ago, and to try and get the existing law altered to suit modern ideas. These modern ideas suggest the abolition of caste and I do not regard that Hindu as a true social reformer who does not accept this principle in theory and is not prepared to support every practicable means to translate the theory into practice. The attitude taken by a large number of people on such measures as Basu's bill, Patel's bill and Gour's bill make me almost despondent as to the future.

#### MR. GANDHI—THE VARNASHRAMITE

The most eminent leader of the modern extremist school of Indian politics is an advocate of Varnashram. Mr. Gandhi says: "Inter-drinking, inter-dining, inter-marrying. I hold, are not essential for the spirit of democracy—we shall ever have to seek unity in diversity, and I decline to consider it a sin for a man not to eat

or drink with any and every body. Again, "I am prepared to defend as I have always done, the division of Hindus in four classes". Mr. Gandhi believes that the following passage and the argument contained in it is a solution of the question of caste.

"One of my correspondents suggests that we should abolish caste, but adopt the class system in Europe—meaning thereby, I suppose, that the idea of heredity in caste should be rejected. I am inclined to think that the law of heredity is an eternal law, and any attempt to alter that law must lead, as it has before led, to utter confusion. I can see very great use in considering a Brahmana to be always a Brahmana throughout his life. If he does not behave himself like a Brahmana, he will naturally cease to command the respect that is due to the real Brahmana. It is easy to imagine the innumerable difficulties if one were to set up a court of punishments and rewards, degradation and promotion. If Hindus believe, as they must believe, in incarnation, transmigration, they must know that nature will, without any possibility of mistake, adjust the balance by degrading a Brahmana if he misbehaves himself, by reincarnating him in a lower division, and translating one who lives the life of a Brahmana in his present incarnation to Brahmanahood in his next."

I consider it nothing but a mockery of the claim of the lower castes to social equality, and what is more, if this claim is not conceded, then we shall never have the Swaraj Mr. Gandhi wants, and if he gets it, it will split on the rock of caste and Hindu-Muslim discussions. It is needless to comment on this rather long extract, but I have given it at length to show that our attitude is different as the poles asunder from Mr. Gandhi's. Why, may I ask, should he inveigh against Gen. Dyer or the planters of Behar, or the various other men whose misdeeds he continually narrated in his paper or speeches, when they are sure, according to Mr. Gandhi, to descend to a lower level of creation in their next existence? Or again, why should he waste sympathy on the large mass of suffering humanity or animal creation, when that suffering is the legitimate and natural result of their misdeeds in a past existence? Or again, why should he even preach *Ahimsa* when those slain or ill-treated are reaping the fruits of their former sins and the slayers or the ill-treaters are sure to reap the fruits of their actions in future? Logically, Mr. Gandhi's ideas lead to nothing but a state of complete quiescence in which nothing whatever matters, as it is at once the cause and effect of other things, and as it is impossible to interfere with it. I have heard of determinism before, but I own, this determinism of Mr. Gandhi is absolutely too much for me.

The Government of Bombay have, with the object of raising the depressed classes, opened a free hostel for fifty students in secondary schools from these classes, Government paying for the whole expense. Applications were invited, and pupils from Mahars, Chamar, and other untouchable castes were admitted. But, immediately, the Chamar pupils began to complain that they would not eat with the Mahars, or the food cooked by the Mahar servants that were employed. This shows that the question of the caste, of superiority and inferiority derived from birth, faces one at every step, and that no real lasting progress in our country would be possible unless this fancied distinction disappears. The work lies not only on the Brahmana, though perhaps he has most to do as he is supposed to be above all the other castes; all castes from the highest to the lowest have to change their attitude. Some castes are keen on pulling down those above them to their level, but are equally keen on keeping those below them where they are. This will not do. My denunciation of castes or persons, all without exception must reach one common level. The depressed classes are realising in Madras that a Non-Brahmana ascendancy does not make their condition any better than a Brahmana ascendancy, and I believe that the intelligent Mahar in Bombay feels the strong hand of the Patel as heavily as that of the Brahmana Kulkarn. I do not wish to ransack history to determine on whom the real responsibility for the curse of caste lies, nor do I wish to see whether, in older days, it subserved any useful purpose. It is probable that it must have done some good, or at least not done much harm, in times when people were not so mobile as they are now, when occupations were few and fixed, and when India did not feel the energising effect of modern western ideas. It is patent, I believe, to every body who has an open mind, that the caste question is at the root of at least half our political difficulties, and that our progress would be immensely accelerated if it were out of the way. I do not say that we would then reach political or any other kind of salvation, but I feel certain that if this question remains unsolved, we shall live for-ever degraded and low in the face of virile civilisations founded on the basis of equality.

Some non-Brahmana castes do not like to have a Brahmana Shankaracharya—or rather several Shankaracharyas—as their religious head, as this means an assertion of Brahmana supremacy. They have therefore installed a Kshatria Jagatguru at Kolhapur who is intended as an opposition Shankaracharya. India, with its fissiparous tendencies, has already several Shankaracharyas, often fighting with each other in a very anti-spiritual manner in the law courts about their temporal estates and privileges. Does any body believe



that they exercise much useful influence under these circumstances, and that we would be doing well to add one to the number? A Jagatguru created under such conditions is not likely to do much good, nor sustain the falling prestige of an institution which has no use now. A rationalist like me can only hope that this indefinite creation of Jagatgurus for each caste or sections of a caste would reduce the institution itself to a mockery. But before this happens, a good deal of harm will have resulted by adding to the class of men who "sow not, neither do they reap", and placing before the generality of the people a further example of a class which lives upon the labours of others. In fact, the real reform is the abolition of all the Jagatgurus, including the Brahmana ones, and to let every man choose his spiritual preceptor at his own sweet-will, if he feels the need of one.

I would like this Conference to take up this question and lend its strong support to the Bill recently introduced by Dr. Gour in the Legislative Assembly. In my opinion, the bill does not go far enough, but it is a move in the right direction. I would like some legal members of the Assembly to introduce a comprehensive measure which will optionally secularise the institution of marriage, and include in itself provision regarding divorce and inheritance. I believe that marriage should be regarded as a civil institution, and the State should take cognisance of the birth, marriage, and death of all its citizens. If any citizen chooses to add to civil registration any further religious rites, the State need have nothing to say in the matter. This would be the ideal legislation in my opinion, but I realise that for the moment it is impossible to carry it out practically. But an optional measure of the kind applicable only to Hindus ought to be quite within the range of practicability. The fact that such a bill evokes strong opinion only shows how skin-deep are our professions of democracy; the further fact that the large majority of the opponents of such bills hail from the ranks of political extremists shows how low is our standard of political honesty or intellectual consistency.

#### SUBMERGED CLASSES.

The question of the depressed classes is one of the most important in our social structure. The fact that about one-fifth of our people are considered by the remaining four-fifths to cause a pollution by mere touch ought to appeal to every human heart which has not been dulled into apathy by the familiarity of the phenomenon. Some people say that we must solve the question in order to take away a handy stick from the hands of our bureaucrats or to stop the falling away of these classes from the ranks of Hinduism.

to add to the number of Christians and Muslims. But this is taking too low a view of the subject. We must feel to the marrow of our bones that Indian Society has been inflicting an unthinkable cruelty on these classes, which are often reduced to less than animal existence. Every one of us is responsible for the condition of these classes, although they are often kept away out of sight so as not to shock our susceptibilities. In this connection, I am glad to recognise the strong crusade of Mr. Gandhi against untouchability. I only wish he had not stopped at the advocacy of abolition of untouchability, but gone the full length I have indicated above. But even to this limited extent, the men who profess to follow him have not gone. They, of course, give lip sympathy to this class, but hardly one in a thousand of the men who swear by the Bardoli constructive programme move a finger in the matter. The Non-Co-operators of Nadiad would not admit depressed classes' children to their National Schools, but told them to attend Government Schools. If this is the way with the so-called stalwarts, one can easily understand that on this question we are not likely to get much practical help from these vocal Non-Co-operators. Government must come to the aid of social reformers and rule that no discrimination should be made against any of these classes so far as law is concerned.

The extraordinary deference we pay to tradition or holy writ has been our great enemy in our work in social reform. In every question we find ourselves faced with these obstacles. If there is a question of the position of women in our society, we are again confronted with the injunctions of religion. The fact that such a simple proposition as the enfranchisement of women was opposed in all Councils and failed to secure majority in several, shows that our democratic lesson has not been well learnt.

I need not go over the various items in the social programme which have reference to the position of women. The Purdah, child-marriage, education of girls and widows, widow-marriage, divorce, age of consent, inheritance, rights of women, their political enfranchisement, are questions on which much can be said, and several of your resolutions will doubtless have reference to many of them. But the improvement of the lot of our woman-kind is a question as important as the abolition of caste.

The questions of social purity and prostitution, temperance, co-operation and education are now-a-days recognised to belong to the political field though they are also germane to the work of Social Conferences. In fact, the political reformer can take them up only when the social reformer has done a fair amount of spade-work in them. The laws of a people cannot go too far in advance of public opinion. It is for the social reformers to educate this opinion.

Public opinion is not now as actively against social reformers as it was fifty years ago. At that time, it required some moral courage to do even a small thing opposed to the prevailing custom, for, you had to face excommunication and various other disabilities for it. Now a-days society is content to shut its eyes and ears to anything that you do, unless it is absolutely forced upon them. You can eat with a man from the depressed classes, provided you do not publish it from the house tops. Society is content to accept any pretended excuse, if only it is allowed to remain undisturbed. Whether among Hindus or Muhammadans, it is not what a man believes that is considered important; it is whether he wears the usually accepted marks of that belief. When society is contented with such outward manifestations, people of weak convictions follow the line of least resistance. Thus, to save himself from troublesome remarks, a man will wear a khadi coat outside and still retain *videshi* underclothing: a confirmed agnostic will continue to perform the usual religious ceremonies; a man may say he does not believe in caste, yet he will only contract alliances within the small sub-section of his caste; he may not be an advocate of child marriage, but he will still move heaven and earth to find a match for his daughter of fourteen or fifteen years; he may nominally subscribe to the principle of elevating the depressed classes, but will do nothing actually in the same direction. Even among our renowned leaders, consistency is greatly at a discount, intellectual honesty even more so. Every place, small or great, must have a social reform organisation which will busy itself with encouraging all activities that tend to the improvement of moral and social conditions. Such an organisation should not be bound by any caste or creed, nor should it ostracize anybody except those whose actions are inconsistent with their professions. But within its fold, there will be room for people of various views and sympathies. Some may be keen on one branch of Reform and others on some other. But all must be fully convinced of the plain truth that no country can be really great when there are in it artificial impediments on the liberty of any particular individual to attain his full realisation.

### The Chairman's Address.

Dr. H. S. Gour, Chairman, Reception Committee, in the course of his welcome address said :—

"It is not right to ascribe our present misfortunes to foreign domination; on the other hand it ought to arouse in us a spirit of self-introspection. If you study the political history of our country, you will find that the chief causes which contributed to our failure on the battlefield in times past were internecine jealousies born of caste

and communal differences, want of spirit of National solidarity and the narrowness of our political vision self-centred in the small circle of our family or caste. I leave out of the present the short history of our association with the Muhammadan conquerors. Before the advent of Islam the whole country was populated by our race, and yet we were hopelessly defenceless. We have been often told that our present degradation is perpetuated by foreign domination, but foreign domination is certainly not as old as our ancient history, and if the foreign domination were removed, I am sure we will relapse into a state of anarchy and helplessness and be exposed to further aggressions from the neighbouring powers. Our political philosophers do not advert to this aspect of our National life, but it is the key-stone of our future greatness, and there can be no National life unless we have a nation, and no nation unless we are able to effect those necessary social reforms which are the very foundation of nationhood.

"It seems to me that the first cause of the absence of National life in our country is the deep-rooted belief amongst our countrymen in the doctrine of *Karma*. Our religion teaches us that life is an evil and the sooner we get rid of it the better for ourselves. The true bliss lies not in the activity in this world, but in *Nirvan* which is complete cessation of activity. This doctrine permeates the masses, and its one resultant effect has been and is that we do not regard ourselves as the citizens of our country. We are merely its temporary sojourners. If we study our sacred writings we find in them a complete absence of any reference to political polity. Our great law-giver *Manu* divides all society into four castes who are to follow their predestined occupations. There is no provision for corporate and collective action. Our religious views have reflected upon society and our social life has contributed to its weakness.

"The first thing that we can do is to define the domain of religion from social polity and see that it does not encroach upon our social life. In the ancient days when political power was weak and men were kept right by depicting upon them the torments of hell, there was no necessity for further action. When the proletariat are ignorant such subterfuges are successful. They were successful in Europe till the re-awakening brought about by the revival of letters which swept away the power of the clergy and divorced the Church from the State. The recent event in Angora testifies to the development of the same idea. Renaissance has crossed the borders of Europe. It is knocking at our doors. The masses are being educated. They will not accept without question the artificial

division of our society into castes and the religious shibboleths of our forefathers that life is an evil and no effort should be made to ameliorate it. But our political pandits, while struggling with new political ideas, are forgetting that those ideas cannot take root unless this new conception of life is assimilated into our social system. The first thing, therefore, that we must do is to define the domain of religion, and to separate Church from the State.

### LEADERS MUST LEAD

"The next thing we must do is to see that our society is brought up to modern conditions of life and all old-fashioned ideas which have outlived the conditions to which they applied are purged from our minds. If we are to absorb the modern political wisdom we must expel the ancient social and religious dogmas from our minds. The social reform movement in the past have been of a wholly compromising character. "Let us move with the masses" says our political doctrinaire, but the history of all countries in the world shows that the masses do not move at all unless they are compelled to do so by the force of circumstances, or by their leaders. Leaders cannot go behind the masses. The masses must follow them and it is up to us as leaders of our people to see that we do not mince matters but tell them truthfully what is wrong with them, and we cannot tell them what is wrong with them unless we possess the moral courage to act up to our own convictions. The one great factor to unite our people is the establishment of the law of civil inter-marriages. It is a standing reproach upon our statute book that this necessary measure first advocated by that great lawyer Sir Henry Sumner Maine in 1868 has been stoutly resisted by the very people whom it was intended to benefit. We are a laughing-stock of all other countries of the world. The great Japanese statesman Marquis Ito, in one of his memorable speeches, told the Indian youths assembled in Japan that they could never obtain political salvation and independence unless they established social freedom. We can not engraft upon social slavery the plant of political independence.

"The one great need for the reconstruction of our Nation is intensive National Education. No programme of social reform or political regeneration can be successful unless the Nation is educated and disciplined. For that purpose education must be regarded as a National concern. Free and compulsory education must find a place on the programmes of all Provincial Governments. No cost should be spared to carry out that programme."

## Resolutions

After the addresses were delivered Mr. G. K. Deodhar of the Servant of India Society gave a review of the social work done last year and announced that a committee will be appointed for the organisation of work. He pleaded the necessity of detaching social conference from political conference.

## ABOLITION OF CASTE.

The first resolution of the Social Conference related to the abolition of caste. It was moved in an eloquent speech by the Right Hon. Srinivasa Sastri who said that the problem can be more successfully attacked by trying to change the inner spirit of the people than by insisting on the disappearance of outward forms. He pleaded for the abolition of caste on practical grounds and wished success to Dr. Gour's Civil Marriage Bill.

Mr. Pradhan of Nasik in supporting the resolution said that the social Swaraj and the way to attain it was the establishment of equality among the different castes.

Messrs. Kanitkar, Joshi, Kulkarni and Gowai spoke on a resolution about mass education. The speakers referred in eulogistic terms to the Honourable Mr. Paranjpye's Compulsory Education Bill.

Hon. Mr. Kelkar, Minister of Education, also spoke and expressed a hope to be able to introduce a similar legislation for the Central Provinces in March next if sufficient funds and popular support were forthcoming.

## INFANT MORTALITY.

Mr. Mathurabai Dravid moved and Mr. Bhat of Poona seconded a resolution calling on the Government and the people to devise measures to prevent infant mortality on the lines of Lady Chelmsford League and Sevasadan Welfare Works.

## REMOVAL OF UNTOUCHABILITY.

Sir Bipin Bose moved a resolution demanding the removal of untouchability and remarked that in the days when truth of self-determination was in the air they could not refuse to the depressed classes their birthrights. He warned the people that so long as this stigma remained on the Hindu Society it could not march forwards.

Mr. Madhav Rao of the Servants of India Society in seconding the resolution said that in Madras untouchables were treated as unapproachables and even their shadow was considered as polluting and they were prevented from using the same thoroughfares.

Mr. Bhatkar, belonging to the depressed classes, supported the resolution and referred to the oppression practised by the non-

co-operators in the C. P. on untouchables and appealed to Brahmins and non-Brahmins alike to practise what they preached.

#### WIDOW RE-MARRIAGE

Rao Bahadur Kale moved and Mr. G. K. Devadhar seconded a resolution demanding improvement of the women's status by encouraging widow re-marriage, the raising of the age of marriage and the removal of the 'purdah' which was carried. The Conference also passed resolutions supporting encouragement of temperance, codification of the Hindu Law, improvement of labour conditions and an organization of social work.

#### HEREDITARY PRIESTS.

The resolution supporting Mr. A. B. Lottheb Bik as regards the hereditary priests emoluments caused some differences of opinion but was ultimately carried by an overwhelming majority.

The Hon. Mr. Paranjpye, President of the Conference and Mr. N. M. Joshi spoke in favour of Mr. Lottheb Bik. The Conference finished its labours after appointing Sir Narayan Chandavarkar, Mr. G. K. Devadhar and Mr. D. G. Dhahi as Secretaries for the next year and after passing a vote of thanks to the Chairman of the Reception Committee and the President of the Conference.

The Hon. Dr. Paranjpye in his closing remarks said that he had a strong faith in progress. Institutions must be regarded from what they are, and not always from an antiquarian point of view. It was the duty of every social worker to leave the Society better than what it is. This work of Social reform should be carried out every moment of our life by ourselves and not by any petition to outside agency.

SECOND SESSION OF THE  
**All-India Social Conference**

*GAYA—29TH DECEMBER 1922*

The 2nd session of the All-India Social Conference was held at Gaya on the 29th December, 1922. Mr. M. R. Jayakar, the President, delivered the following address:—

I am deeply grateful to you for the high honour and privilege you have conferred on me by inviting me to address you to-day. By virtue of an unwritten tradition, the National Social Conference has always followed in the wake of the Indian National Congress. This affinity, the parent of which according to all reliable authorities was the esteemed pioneer of our corporate activities, the late Mr. Justice Ranade, was indicative of the wish of the thoughtful leaders of those times to avoid putting Social and Political Reform into two water-tight compartments or setting up barriers between them. They recognised that the National Problem has two aspects, one facing the Government and the other facing the People: that these two aspects had many common attributes and also the common purpose of humanising and liberalising the psychology of the people, in one case through the medium of the social organism of the community, and in the other case, through the agency of the political institutions set up in the country. This affinity between these two aspects has passed through various vicissitudes and painful controversies. It was often denied, and not infrequently ridiculed; but in the era through which we are now passing, its foundation has been firmly laid in the people's mind by the hand of one of the most dearly loved leaders, in what has been described by one set of political workers in the country as the "Constructive Programme" of the Congress. This programme proceeds upon the fundamental principle, on which far-sighted Social Reformers in previous times have often insisted, that good-will among the various classes and communities inhabiting this vast Peninsula is the first asset of Social Reform. Owing to many historical and ethnological causes race diversity has been for centuries the main problem awaiting solution in India from time to time. Other people in the world have solved it in their own way. Speaking generally, their solution has most often taken the form of destruction, in the sense either of religious conversion or physical extinction. notably so, in cases where the races juxtaposed were ethnologically different and could be graded as strong and weak. India, on the other hand, from the



time of its earliest available records has endeavoured to arrive at a more humane solution, based on principles of toleration and eventual assimilation. The Puranas and Epics of India reveal, to the critical reader, a fascinating record of such attempts, sometimes made in most uncongenial surroundings. No student of Reform, therefore, who is aware of this characteristics of our race, and wishes to proceed on this line of its continuity, can lose the opportunity of asserting this important aspect of our growth. Whatever the political Reforms of 1919 may have failed in achieving, they have at least accepted the principle, more clearly than any preceding State document, that there will be in future no politically dominant alien caste in India, constituted by reason of the accident of its birth or the colour of its skin. This may seem an obvious principle, but what blood had to be shed for its acceptance by foreign rulers is known to the students of British Indian History. The solitary merit of the Montagu-Chelmsford Report and in a much smaller measure of the Government of India Act that followed it lies in the circumstance that they recognise, however feebly, the principle that Government cannot be carried on through the agency of a dominating alien caste and that all such Government must be short-lived. The period of its duration, I make bold to say, will really depend on the sternness and persistence of our effort to do away with this superior caste, whatever contrary terms the preamble of the Government of India Act may employ.

#### GOOD-WILL BETWEEN ALL CLASSES.

Good-will between all classes is, therefore, the prime necessity of the hour. Those who yielded at Lucknow to the claim of the Mahomedans for representation beyond their numerical strength were acting under the domination of this self-same principle. "Put the Moderates and Englishmen at ease"—this sententious advice of Mahatma Gandhi likewise proceeded on the same principle. The Resolution of the 11th and 12th February 1922, shortly described as the Bardoli Resolution by Congressmen, accepts the same principle, in so far as it prevents the exercise of coercion by social boycott and lays down that in order to promote and emphasise unity among all classes and races and mutual good-will, the establishment of which is the aim of that political movement, a Social Service Department should be organized that would render help to all, irrespective of differences in times of illness and accident. A note was added at the end of the resolution, enjoining on the followers of that movement the duty of regarding it as a privilege to render personal service, in case of illness or accident, to every person whether English or Indian.

I am aware that many have scoffed at and doubted the efficacy of this injunction in the domain of politics. I am also aware that in many cases the above movement, especially as worked by those who attempted to follow the great leader thereof, has shown inadequate capacity to respond to this wish of its promoter. But this injunction, to my mind, lays down the fundamental principle of reform—Social as well as Political—as conceived by a true and gifted Indian, in whom the culture of his race had found its highest fruition. A true leader is often as a quick recording camera—noticing, recording and perpetuating phenomena, not at all apparent or very inadequately apparent to the common eye. When Mahatma Gandhi laid down this injunction he was freely responding to the genius of his race, and his claim to eminence can be tested with sufficient strength on the single circumstance that he has had the clearness of vision and boldness of outlook to accept this essential principle of Reform in a domain of human efforts which has often been associated with bloodshed and revolution.

The Bardoli Resolution, in my opinion, therefore, typifies the great change that has come over the definition of Social Reform in this country. It has now come to mean Social Service and Social Reconstruction, pervading all the categories of our national life. For a long time Social Reform was more or less a domestic problem of high caste Hindus. Widow re-marriage, female education, caste tyranny and such other problems, which had their significance mostly in high-caste Hindu life, mainly engrossed its attention. Sir Narayan Chandavarkar, the General Secretary of the Social Reform movement in his message to the Amritsar National Social Conference in 1919 remarks :—

"After nearly a century of political and social work begun by our first Political and Social Reformer, Raja Ram Mohan Roy, after varied experiences, diverse struggles, painful controversies and some sufferings we have arrived at that stage in the lines of our progress when we are able to perceive more clearly than ever that Social Reform is the whole, of which the Political, the Industrial, the Educational etc. are but parts, and that these parts are interactive and independent. In Europe and America when they speak of Social Reconstruction now, they mean all the categories of national life. The time has come for us, Social Reformers and workers, to enlarge the meaning and scope of social reform and extend our activity and outlook to such questions as the education of the masses, the sanitation of the country, the housing of the poor, the care of the sick and feeble, the employment of labour on national lines, the provision of healthy recreation and amusement for the

masses, village sanitation and rural education, instead of confining Social Reform, as we have hitherto confined it, to female education, widow re-marriage, removal of caste restrictions and such other items.

In conformity with this view the first resolution passed by the Amritsar National Social Conference declared that :—

"Recognizing the fresh life opened out to the country by the new era upon which it is entering and the urgent call that the fresh life makes for the Social Reconstruction on India's National life, the Conference is of opinion that the term Social Reform should be widened so as to comprehend, besides the items of Reform hitherto advocated by the Conference, those additional measures which are necessary for the development of the Industrial, Economical, Sanitary and Educational interests of the Indian people, in rural and urban areas."

In its extended sense, therefore, Social Reform now includes the entire area of our national growth as it affects the physical, moral, intellectual and economic well-being of the people. Its main field of activity is Social Service irrespective of caste and creed. The attempt is at a reconstruction of the entire Society, so as to give full scope to the forces generated in our midst. In this entire scheme of Social Reconstruction politics takes its proper place, as being only one department concerned with the collective activities of the State. The great feature of the present Nationalist movement is that its leader persistently attempted, while he was in the enjoyment of his liberty, to put politics on the basis of Social Service. The old and time-worn barriers between Social and Political Reform he has endeavoured to demolish as far as it lay in his power. The tendency in India has been marked of regarding Government as an establishment formed chiefly for the purpose of developing and exploiting the industries of the country, its coal and iron, forests and fisheries, hides and raw material. The peace and order of Society and the maintenance and protection of its resources and revenues have been regarded as its chief function. The altered definition of Reform as a species of Social Service and Reconstruction will have the advantage of our requiring, as the sole test of the success and efficiency of State institutions, the promotion of the Social welfare of the citizens and not merely the stability of the system under which his peace and security are protected. The object of Social Reform will, in the new era, be to insist that the promotion of the health and happiness of human beings shall be given the first place in the administration of the affairs of the country and that the raising of the average intelligence, efficiency, happiness and well-being in the country shall be the main purpose of constitutional Reform.

Thus Social Reform has come to occupy its true basis. Its goal now is to ensure a perfect heridity and perfect environment for the average man in the country. Its alliance with Political Reform is now firmer than before. That Society is an organism in which every part has a living relation to every other part is now the principal tenet in the working faith of the Social Reformer. He is no more a solitary worker, isolated or in hostility with his fellow worker in the political field. They are now allies. They can mutually help and co-operate. Their efforts supplement each other. They can often interchange their fields of action and relieve each other's toil and burden.

It is a great gain to the present age that this alliance has been effected and we ought to feel grateful to all those workers in the field of Social as well as Political Reform who have by their efforts continued to bring about this approximation. Reform will not be a reality, and not merely a holiday excursion of the rich and educated classes. The poor and afflicted will now have an interest created in the concerns of our Congresses and Conferences. Already signs are apparent of this change. The stir in the country which usually takes place in the last week of December is no more a pleasure trip of the fatigued lawyer and rich businessman, seeking to renew year-old friendships in tents and hotels. It is now, and will grow more and more, a yearly pilgrimage of the poor and lowly as if to a shrine where they will behold and listen to the voice of their own leaders, dressed in their costume, living in their camps, fed on their food, vocal with their language and brimful of their interest and welfare. Thus the foundations of a true democracy will be laid and the germs of a truly National Government take root.

## Resolutions

The following resolutions were adopted :—

1. This Conference is of opinion that the condition of untouchability imposed on the depressed classes of India be forthwith abolished and for this purpose calls upon representative bodies of thought and action in every province and upon all such authorities as Sankyracharyyas and Mahants to issue manifestoes declaring the removal of untouchability and the grant of equal social and religious rights and privileges to the neglected people.

(Proposed by Mr. Deep Narayn Singh and seconded by Mr. Abbas Tayabji, Bombay).

2. This Conference earnestly appeals that more strenuous efforts should be made to educate our women so that they may be

able more effectively to discharge their multifarious duties and attain to that high position which they occupied in the past. This Conference urges that in order to arrest the increasing deterioration in the health of our girls and women, immediate steps should be taken to remove its causes including the Pardah system. It further states that it is strongly of opinion that in order to put a stop to the suicidal custom of early marriages, a sustained agitation be carried on in the press as well as on the platform to impress upon the people the desirability of never marrying their girls until they are 16 years old, and it further condemns the evil custom of marrying young girls to old persons. This conference is of opinion that every possible reduction in the expenses should be made in performing various ceremonies particularly those in connection of marriages.

3. This Conference resolves that with a view to relieve the sufferings of an overwhelming number of innocent infant and child-widows of marriagable age, immediate and practical steps be taken for their remarriage if desired and for starting widows' homes for the proper training and advancement of those who undertake to lead a life of widow-hood, and in this connection this conference expresses its high appreciation of the work of the Vidhya Sabha and the munificence of Sir Ganga Ram for maintaining it.

4. This Conference resolves that the only true and effective excise policy for India is that of total prohibition of the manufacture and sale of intoxicating drugs and drinks except for medical purposes and appeals every province to carry on an intensive campaign to get this policy adopted in as short a time as possible.

5. This Conference views with condemnation the immoral practice of selling girls under the pretence of marriage prevalent in certain parts of the country and appeals to all well-wishers of the community to discourage the practice as far it as lies in their power.

6. This Conference strongly condemns the cruel custom of charging dowries at the time of marriage which prevails among high and educated classes of the Hindu community.

7. This Conference appeals to all concerned the immediate need of organising the social conference with a view to carry on a sustained agitation throughout the year forming district and provincial conference committees and raising subscriptions for the purpose of maintaining offices of the central committee.

8. This Conference appoints Mr. K. Natarajan as the General Secretary and Mr. S. Sadanand as Assistant Secretary for the next year.

SIXTH ANNUAL CONFERENCE OF  
**The Non-Brahmin Federation**  
MADRAS—26TH DECEMBER 1922

The Non-Brahmin Federation of Madras began its sixth annual session on the 26th December at Madras with Khan Bahadur Mohd. Usman Saheb as Chairman. It was the first attempt of the Non-Brahmans to co-ordinate their sectional parties of Bombay and Madras. Mr. A. B. Lathe, the non-Brahman leader of Bombay, was the President. He said in the course of his speech.—

To those who think that the non-brahmin movement is a matter of a few years, a movement which has been ushered into existence by the wicked machinations of a selfish bureaucracy and the supine readiness of the dull non-brahmins to be victims to the bait it offers, my reference to the movement as being old by many centuries will appear to be absurd and fantastic. I know there are some unfortunate men among ourselves who, being endowed with that wisdom which our brahmin friends have made their monopoly, hold the same view as these maligners of our party. The war which *Vashistha* waged with *Visvamitra*—perhaps the oldest known leader of the non-brahmin movement—is nothing to them. The struggle which went on from generation to generation between the Brahmins and the Kshatriyas for spiritual as well as secular supremacy has no place in their history. The fact that the brahmins planned to have extirpated all *Dwijās* from India and, therefore, all Hindus except the brahmins were *Shudras*, signifies nothing to them. That the founders of the two great rivals of Brahminism, Jainism and Buddhism, were Kshatriyas means nothing to them. That the only protesters against brahmanical Hinduism in the camp of Hinduism itself were exclusively non-brahmin Sadhus like Tukaram and Namdev, Kabir and Nanak, convey to their minds no lesson to learn. These were not merely spiritual movements against Brahminism. They were as much political and social as they were religious movements. Their origin, I must add, was traceable more to the desire of the brahmins to get temporal power than to their desire to maintain their spiritual hold on the non-brahmins which was only a cloak under which they sought to conceal their sordid ambitions of this world. The brahmin champion who first refused to yield to the non-brahmin *Visvamitra* a right to enter the thresholds of brahminhood was actuated primarily by his desire to justify the usur-

pation by his caste of the kingdom of an Indian Kshatriya Prince who, the only son of his father, they had condemned to chandalaship for a paltry sin of his. This is a Pauranic story but its genuineness is brought home to us by the authentic history of Maharashtra itself. The Maratha Empire, as it was founded by its illustrious father, was the national achievement of all castes in Maharashtra. But the brahmins who took part in the Maratha revival of Shivaji's days, themselves fallen from their own Varna by resort to the ways of other Varnas, denied to Shivaji any status save that of a Shudra, though he had established his claim to Kshatriyaship by dint of his valour even in no other way. That perversity of the priesthood reached its climax when by intrigues of the worst kind the brahmins succeeded once again in their old ambition of getting the better of the Kshatriyas even in the field of Government. The power which they usurped in the Maratha Nation was immediately turned-into an engine of social persecution designed to degrade the flower of the Maratha nobility from the position which made them the defenders of Hindu religion. Shivaji's achievements were ascribed to a Brahmin Guru who, in fact, never met him till he had become the King of Maharashtra. His work was belittled, though nominally glorified, as being solely inspired by a desire to protect the brahmin. What was the motive behind all this? The answer is obvious. Under cover of asserting their religious prerogatives, what the brahmins were really aiming at was the gain of this world, Inams and Jaigirs wrested from the hands of the non-brahmins who were weak, and gifts induced from the hands of the non-brahmins who were strong, loaves and fishes of office from the lowest to the highest and authority to tyrannise over others in all walks of life.

#### POSITION OF BRAHMINS UNDER BRITISH RULE

When British rule ousted them from the position thus utilised, they had no doubt to take a subordinate part in our public life. But here too they soon found their opportunity. Unfortunately for India, for the greater part of the last century, the leaders of political thought in England were swayed by the Darwinian doctrine of the struggle for existence in which those who survived were called the fittest to survive. The unmoral, if not immoral, nature of this theory was not realised even in England till about the close of that century. This reacted very materially on the progress of our country. Education, that one gift of England to India for which India will ever be grateful to England, was administered to our populations so radically different from those of Western Europe, on principles and according to methods which assumed that the doors

of competition found all castes of India in a position of the same advantage. If non-brahmin castes did not avail themselves of the schools and colleges, it was their fault. If the depressed classes remained outside the pale of humanity itself, it was their fault. If the brahmins monopolised all places of profit and power, it was the survival of the fittest in a struggle in which the non-brahmins proved their own unfitness to live. The British officials who presided over the destinies of India in those days, the statesmen who laid down broad policies and the subordinates who carried them out, sat tight on these theories during years and years when the brahmin was busy improving his own position in all departments of life and by means which had better be not described and the non-brahmin lost step by step even the little that was left to him by the persecutions of the Peshwa rule. Despite the intrigues of the brahmins, the non-brahmin classes in the Deccan retained throughout the dark days of the eighteenth century their hold on the sword and the plough. British rule instantly deprived him of the former and the brahmin completed the work thus begun by slowly but steadily depriving the non-brahmin of his fields and shops. The favourite theory of British liberalism, *laissez faire*, was the direct cause of this result. Ignorance of conditions which obtain in Hindu Society, so common with the British officials in India, prolonged the life of that policy among us long after its death in Europe. What is the result of this on the non-brahmins? Speaking of the Deccan, we find that the brahmins and one or two other clerical castes have attained high intellectual progress during these days, and the non-brahmins, living side by side, members of the same society, are still groping in utter darkness. Literacy among these latter now ranges between zero and a percentage of seven, nearer to the former than to the latter, while the brahmin percentage is somewhere between sixty and seventy. For long, long years, the wiseacres of the brahmin community told us—they would go on doing so for all times—that we were condemned by an Almighty Providence to a mental dullness which made us unfit to go to school. In the parlance of liberalism, we were not to live and survive the struggle for existence. From motives extremely different, the British officials said *amen* to this brahminical doctrine. It is only after a strenuous fight on the part of the non-brahmins that the British bureaucracy has begun to open its eyes to the realities of the situation. After pointing out, for instance, the deep and wide chasm which educationally separates the brahmin with his 700 literates among a thousand, from the Dhed with his 65 and the Maratha—the warrior of Shiveji—with his 53 and the Kunabi with his 22 literates in a thousand,



Mr. Sedgwick, who was the Superintendent of the last Census in Bombay, admits "how essentially in India the accident of birth into one or other of the castes determines chance of education and also what a vast mass of illiteracy remains to be broken down in all the castes low down in the Hinduistic scale."

### ROOT CAUSE OF NON-BRAHMIN IGNORANCE

The ignorance of the non-brahmins indicated by these figures, itself is the result of brahminic teachings and institutions and led to results of the most disastrous character to the non-brahmins. Living in the illusory belief that Indian Society was as homogenous as the Western, our rulers recruited their Indian officers on the basis of competition in intellectual fields. That was the opportunity for the brahmin to regain his Peshwa days. Though forming a drop in the ocean of the population in the Deccan—it is the same in Madras also—he occupies to-day almost a monopoly of Government Service and the Bar in the Deccan. Can you imagine, gentlemen, that we have among us districts with a million souls which cannot, after a century of British rule, boast of one non-brahmin lawyer among them while the brahmin vakils could be counted by scores? In a population which is mainly agricultural and, therefore, subject to frequent famines which have become permanent in the Deccan, more in consequence of the exploitation of non-brahmin ignorance by brahmin officers and pleaders than by droughts, the rise of a caste exclusively in the enjoyment of these lucrative and influential employments reduced the other castes to an economic distress which was surpassed only by the intellectual and moral degradation imposed upon them by the Brahminic religion. For years past the few among us who received English education have been trying to level up our brethren by every means that lay within our powers. Caste conferences, educational funds started by some castes, hostels providing education to students of many of these castes, the Satya-shodhak movement which aims at the emancipation of the non-brahmin from the domination of the brahmin, the struggle of the Maratha Princes headed by the Maharaja of Kolhapur for the benefits of Vedokta rituals—these were some of the steps which led us to the non-brahmin movement as we find it to-day in the Deccan. Until about the time of Mr. Montagu's visit to India in 1917, ours was thus an essentially religious and educational movement.

### NON-BRAHMIN MOVEMENT IN BOMBAY

The little that we in Bombay have done since that time for the political emancipation of our non-brahmin community need not be

told, and, even if required by you, I confess I have not the courage to speak of it in the presence of the giants of the non-brahmin party in Madras among whom I find myself on this occasion. Your veteran Field Marshal, Sir Theagaraya Chettiar, honoured us with a visit in 1921, and his worthy lieutenants, Mr. Thanikachalam, Mr. Ramaswamy and others, did so only ten days ago. I can easily imagine to myself what a poor opinion they must have formed of our work in directions in which they have won such signal successes during the last two years. Our only comfort and consolation is that you have extended to us the right hand of fellowship, and accepting it in all eagerness, we feel proud of the proof positive which you have given in Madras of the great possibilities that lie in our community. Your comrades in Bombay have not been able as yet to rise to your standards. But there is not the least doubt that the seed has sprouted into a nice little tree which promises to grow rapidly and yield abundant fruit in the near future. Its great hope lies in a close and hearty co-operation with Madras, and not only Madras but the non-brahmins throughout India. It has been indeed said *ad nauseum* that there is no non-brahmin movement beyond the northern slopes of the Vindhya range. I know that some of the non-brahmin communities in the plains of the north have advanced immensely in education and in Government service. The brahmin in some cases in that part of the country is not the same subtle tactician that we find him here. But when I think of the fundamental principles of Non-brahminism, I cannot persuade myself to think that our movement ought to be confined to Madras and Bombay. Ours is a war against the spirit of brahminism which is as rampant on the banks of the Ganges and the Indus as on that of the Krishna and the Godavari. Do not the brahmins of Bengal or the United Provinces claim a socio religious superiority over other castes? Have they not established there the caste system under which every one is bound down to the status of his caste and is not free to rise to the full height of his manhood? The theories of this life and the next one which are at the root of brahminism and the pernicious notions of caste superiority and, therefore, caste exclusiveness which are the offsprings of brahminic teachings are the universal heritage of Hindu India. Nor are caste monopolies in State employment uncommon in Northern India. Are not the political and administrative problems which confront us here likely to exist in Hindustan as much as in the Deccan? Possibly, the backwardness of some brahmin sub-castes there, the shock which brahminism received there at the hands of the conquering hordes of mediaeval Mahomedanism, the liberalising influence of Sikhism in older days and the Arya Samaj in modern times, the threatening

presence around of an infinitely larger Islamic population than the one we have in the south driving, as in older days it must have driven, the Hindu castes into an enforced unity—possibly causes like this make the non-brahmin problem up in the north a less acute problem than it is unfortunately among us. But I believe that it does not exist wherever Hinduism exists and I would not be surprised to hear that the echoes of your work in this part of India are heard before long on the plains of Bengal and the Punjab. As a protest against all caste monopoly, as the struggle of inferior castes to get rid of the demoralising influence of the top-most caste—than whom there could be no higher,—as a patriotic attempt to bring into existence a homogeneous population which could be welded into an organic nation, as the spring of genuine sympathy for the backward and depressed, whether Hindu or Mussalman, it is the one great need of the whole country. I am happy to notice that the Mussalmans of Madras are part and parcel of the non-brahmin movement. As the followers of the most democratic religion that the world has hitherto produced, and requiring as they do the same encouragement and help which the non-brahmins require for their own regeneration, their only place in public life in this country is by the side of the non-brahmins. Outside Madras, I am afraid, some of your co-religionists, Mr. Chairman, appear as if they have been overlooking this fact. The Khilafat difficulties throw them into the hands of politicians with whom they had nothing in common. But as those difficulties are being solved, our Moslem brethren, true non-brahmins as they are, are returning to their natural camp. May it not be the same in the rest of our country ?

I do not pretend to take a complete survey of the possibilities of the non-brahmin movement in all parts of India but I am glad to be able to tell you that just on the dates on which we were sitting in conference at Satara, the non-brahmins of the Berar were sitting in a similar conference at Umari, the first non-brahmin Conference in that Province. The Namasudra movement in Bengal and the Amal movement in Sind are based on the same principles as our own. Forces like this working in all parts of the country, our movement must soon be one all-India upheaval, working and leading towards its one great goal of democratising the country in the true sense of our free, generous and all inclusive democracy, strengthening the weaker parts by the strength of the whole and utilising the strong for its own purification. You have the glory of being the pioneers in the field. I trust you will allow us to share with you the glory of extending the work further afield and making it the greatest nationalising force in our ancient land.

## Resolutions.

On the 2nd and 3rd days resolutions were discussed and passed. One resolution expressed thanks to the Education Minister for bringing the University Reform Bill and also opined that sufficient safeguards should be provided in it for the adequate representation of the Non-brahmin communities in the various bodies.

Another moved by Mr. L. K. Tulsiram (Madura) urged that the Director of Industries should be an official possessing technical qualifications and preferably an Indian. One of the delegates (Mr. Rambadra Udayar) desired to insert the word non-brahmin before 'Indian' but this was objected to by Sir P. T. Chetty and others and the amendment being withdrawn the resolution was passed.

The fourth resolution ran—"Whereas the relations between Labour and Capital are at present very unsatisfactory, this Confederation is of opinion that the foreshadowed legislation on industrial conciliation and workmen's compensation be proceeded with without any avoidable delay."

Resolutions were also passed in favour of a permanent settlement of land revenue and also protesting against the enhancement of land tax by 18½ and 25 per cent in the Tanjore District in contravention of the resolution of the Legislative Council.

The next resolution that was moved by Mr. O. Thanikachalam Chettiar ran as follows :—

"This Confederation is of opinion that in view of the general success that has attended the Reforms Act so far, and the growing aspirations of the people, the time has come for the transfer, in the Provinces, of all subjects to the control of Ministers responsible to the Legislature.

"This Confederation is of opinion that a majority of the departments in the Government of India ought to be transferred to the control of Ministers to be created responsible to the Legislature and urges that this be done before the next general election."

Seconded by Mr. A. Ramasami Mudalier it was adopted.

The following resolutions were also adopted.—

"This Confederation is of opinion that more earnest endeavours should be made to settle the claims of the Indians in Kenya and other parts of Africa and in Fiji and other Overseas Colonies on a basis consistent with equity and equality of citizenship, since their remaining unsettled is calculated to disturb the relations between the Government and the people in India. This Confederation further protests against the policy of expatriating Indians from South Africa, which is being carried on under false pretences."

"This Confederation is of opinion that the Government be requested to form a committee at once to consider the formation of a Tamil University in the nearest future."

"This Confederation is of opinion that the Government of India should be requested to treat any vernacular as sufficient for the I. C. S. Examination in place of classical languages."

"This Confederation is of opinion that all public institutions such as temples, tanks, schools, etc., be open to all Hindus alike."

#### PRESIDENT'S CONCLUDING REMARKS.

Mr. Lathe in bringing the proceedings to a close said that he was told by a responsible Brahmin friend that his community would work against the attempts of Non-brahmins to attain responsible self government. The Non-brahmins were congratulated by all people except perhaps by Brahmins of the type of Mr. Sastri. As for the resignation of the Ministers he said that the Ministers never cared for their jobs for they could live for a long number of years by themselves without caring for their salaries. People said that Co-operation had failed. He asked which Co-operation it was that failed. If the Non brahmin community really went along the path which they had chosen and if they co-operated with the Government it meant the co-operation of the masses of the country.

## ANNUAL MEETING OF THE Maharashtra Non-Brahmin Conference

*SATARA—16TH DECEMBER 1922.*

The following are extracts from the Presidential Address of Mr. O. Thanikachella Chettiar at the Maharashtra Provincial Non-Brahmin Conference which met at Satara on December 16th 1922.

'The question may be asked what part the Non-Brahmin party played in the troublous days which followed the N. C. O. propaganda of Mr. Gandhi. Though Mr. Montagu was unwilling to recognize the claims of non-brahmins in South India for communal representations, the Joint Parliamentary Committee recognised the necessity for it but, at an unguarded moment, at the cunning suggestion of our brahmin friends, left the determination of the proportion of seats to be reserved to non-brahmins by arbitration, if necessary, in India. We know what unjust award Lord Meston passed as such arbitrator, and how, out of the 65 seats thrown open to the non-moslem electorate by election, only 28 seats were reserved for non-brahmins, though our brahmin friends were prepared to concede before arbitration as many as 33 seats. Thereupon the non-brahmins of South India went to the elections, determined by their own efforts unaided by any reservation, to capture the largest number of seats which was their due by virtue of their strength in numbers and the amount of tax they paid. The sense of injustice done by Lord Meston's award acted as a spur to their efforts and really helped to stir up the placid contentment of the non-brahmin masses more than the reforms granted to them. The result of their efforts was that in spite of the activities of the non-co-operators to dissuade voters from going to the polls sometimes attended with violence, non-brahmins were returned in large numbers making the authorities realise that they were a power to be reckoned with. H. E. Lord Willingdon, whatever his previous views about the claims of the non-brahmins for separate representation or about proportion of seats to be reserved for them, true to the traditions of British Parliament and English constitution under which he was trained, sent for the leader of the victorious non-brahmin party, Sir Pitty Theagaraya Chettiar, and sought his advice for the formation of his ministry. The result was a cabinet of three staunch non-brahmin Ministers. His Lordship's decision in accepting

the advice tendered to him and the wisdom of the choice have more than justified themselves for, while in other provinces whatever headway N. C. O. may have made, the Council fully approved of stern measures in our own province intended to put down N. C. O. and attempts at paralysing Government and to defy law and duly-constituted authority. Every bye-election which took place since the formation of the Council has added to the strength of the non-brahmins. While 6 bye-elections took place, all the members returned were non-brahmins, 4 of them being in respect of seats previously held by our brahmin brethren.

With the allurements of a prospective Swaraj Government under which there would be no tax to pay, with the connivance, if not active encouragement, of several officials of all ranks from village officers upwards who were mostly brahmins, who were mortified at the success of the non-brahmins at the elections, and their efforts to procure a more even distribution of official loaves and fishes and official patronage, there were indications of an organized effort to refuse to pay tax or obey the law. Government conceived measures to deal effectively with such defiance of the law and weapons calculated to deal with the situation were forged at the Legislative anvil with the whole-hearted support of the non-brahmin party against the untied protests of our brahmin friends calling themselves Moderates.

#### NON-BRAHMINS AND PUBLIC SERVICES.

As you are aware, in spite of the large numbers of the non-brahmins in the Presidency, in spite of there being no dearth of qualified men amongst them, hitherto a large proportion of the appointments in the several departments of the public services, high and low, were monopolised by members of one community alone however small their numerical strength or tax paying qualification. Like the non-brahmins of our Presidency, the non-brahmins of your province and the non-brahmins of the neighbouring Native State of Mysore are in a similar down-trodden condition. The existence of this state of affairs was admitted by Government in a Government Order issued in August 1918 which opens with the words "as there is at present a large preponderance of the brahmin community in the public service, it is the desire of the Government of His Highness the Maharaja that all other communities should be represented therein." It was therein stated that the Government deemed it necessary then to review the whole position from a comprehensive standpoint and enunciate a policy for future guidance. By the said Government order Government appointed a Committee representative of all the principal communities to investigate and report on the question to enable Government to carry out their

intentions as aforesaid. The Committee was presided over by Sir Leslie Miller, formerly puisne Judge of the Madras High Court, but who after retirement from British service was appointed Chief Justice of Mysore. That Committee made the necessary inquiry and submitted its report upon which Government passed orders in May 1921. The Mysore Government expressed it as its opinion that the proportion of members of backward classes in all headquarters and District offices of all departments should be gradually raised to 50% of total strength (exclusive of those in inferior services) within a space of 7 years. They defined Backward Communities as including all communities other than Brahmins who are not adequately represented in the public service. In order to secure the result intended by Government they made it a standing order that every agency authorised to make appointments to the public service should give preference to candidates of backward community in making initial appointments so long as the applicants possessed the prescribed minimum qualifications.

The Committee in their report after setting out figures stated that there was room for a considerable diminution in the representation of the Brahmin community in the Public Services.

Who could say that the description given in the Miller Committee's report is not true? It is as much true of Madras and Bombay Presidencies as it is of the Mysore State. Following the recommendations of the Miller Committee, resolutions were moved in our Provincial Council recommending to Government the adoption of the instructions issued by the Mysore Government; Government accepted the resolution with certain modifications.

The resolution as modified and accepted by Government reads as follows.—“This Council makes a recommendation to the Government to the effect that with a view to increasing the proportion of posts held by non-brahmin communities the principles prescribed for the Revenue Department in Board's Standing Order No. 128 (2) be at once extended to all departments of Government, and be made applicable not only to the principal appointments but to posts of all grades, and that Governments should issue orders accordingly and insist on their being enforced, and that to this end half yearly returns showing the progress made should be submitted by the heads of such office, and that such return should be made available to members of the Legislative Council.” In giving effect to this resolution government issued a G. O. on 16-9-21 calling for a return showing the number of men newly appointed in the permanent service of Government during each half year classifying them under six main divisions. Numerous complaints were received from all parts of the Province that taking advantage of the expressions



newly and permanent' occurring in the G. O., many subterfuges were resorted to, to evade compliance with the spirit of the order by heads of departments who are either Brahmins or under Brahmin influence. To render difficult the violation of the resolution accepted by Government further resolutions were tabled for the substitution of return showing not merely appointments made newly to permanent posts but a return of all appointments, whether permanent, temporary or acting, whether the officers appointed were appointed for the first time or promoted from subordinate grades. This resolution was however not reached and the session terminated, but before the next term began Government issued a G. O. dated 15th August 1922 recognising the existence of the dissatisfaction regarding the inadequate nature of the returns called for by the G. O. of 16th September 1921 and recognising the necessity for the amplification of the return, that is, to show the progress made in the matter of the carrying out of the policy in the matter of representation of the various communities in the public service which is expressed in the Board's Standing Order viz; that endeavours should always be made to divide the principal appointments in each district amongst several castes, and Government agreed that in order to give effect to this policy, other things being equal, the principles embodied in the Board's Standing Order should be given effect to, both at the time of initial recruitment and at every point at which men are promoted wholly by selection and not by seniority. To secure satisfactory information as to the representation of the various communities in the different branches of public service, Government directed a return to be made out once a year showing the extent to which each of the six main sub-divisions of the communities is represented in each department. The return will be confined to non-gazetted officers divided into two sections, one for officers drawing Rs. 100 and over and the other for officers drawing from Rs. 35 to 100. As regards officers in the gazetted services, Government accepted the suggestion contained in another resolution moved in the Council to the effect that a column indicating the community to which each officer belonged should be added to the Quarterly Civil List.

It will thus be seen what struggles had to be made to get Government to recognise the need for securing larger representation of Non-Brahmins in public service but the difficulty still lay in getting compliance with the order of Government, for heads of Departments if they are not Brahmins themselves are much under the influence of their Brahmin personal assistants or head clerks. As the Miller Committee appointed by the Mysore Government observed, it cannot be ignored that an officer in the exercise of the duty of making appointments and promotions finds it easier to see the virtues of his

own community than those of others. The remark applies with equal force not merely to those who make the appointments but who give advice for making of the appointments and promotions.

## Resolutions.

The Conference was continued for the next two days when resolutions were passed of which the following are important:—

(1) Asserting that the Conference dissociated entirely with the non-co-operation movement as it was detrimental to the country's real interest, (2) recommending the use of hand or machine-made swadeshi goods, (3) recognising the right of the depressed classes to admittance to all public places on a footing of equality with other communities and requesting the Government to uphold their right, (4) urging on the Government the necessity of adequate representation of the depressed classes on all elective bodies and calling upon their class to capture as many such seats for themselves every where as possible, (5) offering their entire support to the Priests Emolument Bill now before the Council of State. (c) The Conference recorded its most emphatic protest against the Bombay Primary Education Act in so far as it left the introduction of compulsion to the option of local bodies and made no statutory provision for its introduction within a definite period.

## The Social Conference.

H. H. the Maharaja of Kolhapur presided over the Non-Brahmin Social Conference held in the same connection. Indicating the lines on which social reform should progress, the Maharaja said: "All castes and creeds should be given opportunity of rising higher and higher, recognising the defect of the past culture and adapting it to the present age."

The Khatri-Jagadguru who was appointed at the instance of the late Maharaja of Kolhapur and who officiated at the installation of the present Maharaja was given seats of honour at these conferences and was taken out in procession through the streets of Satara and given ceremonial homage by the Non-Brahmins.







